

111TH CONGRESS
1ST SESSION

H. R. 4046

To enhance the reporting requirements on the status of the Arab League trade boycott of Israel and other trade boycotts of Israel.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 6, 2009

Ms. BERKLEY (for herself, Mr. WEINER, Mrs. MYRICK, and Ms. ROS-LEHTINEN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To enhance the reporting requirements on the status of the Arab League trade boycott of Israel and other trade boycotts of Israel.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress finds the following:

5 (1) The Arab League's trade boycott of the
6 State of Israel is inconsistent with World Trade Or-
7 ganization's (WTO) principle of nondiscrimination.

1 (2) Trade boycotts of the State of Israel are a
2 barrier to better relations between Israel and nations
3 of the Arab League.

4 (3) It has been the long-standing policy of the
5 United States to oppose the enforcement of trade
6 boycotts of Israel.

7 (4) Many members of the World Trade Organi-
8 zation continue to enforce the primary trade boycott
9 of the State of Israel. Other WTO members continue
10 to enforce the secondary and tertiary trade boycott
11 of the State of Israel.

12 (5) Taxpayers are required to report requests to
13 participate in or cooperate with an international boy-
14 cott. Section 999 of the Internal Revenue Code of
15 1986 requires the Secretary of the Treasury to keep
16 a list of countries which require or may require par-
17 ticipation in, or cooperation with, a trade boycott of
18 Israel. Currently, the list of countries which require
19 or may require participation in a trade boycott of
20 Israel includes Kuwait, Lebanon, Libya, Qatar,
21 Saudi Arabia, Syria, the United Arab Emirates, and
22 the Republic of Yemen.

23 (6) In 2005, during negotiations for the acces-
24 sion of the Kingdom of Saudi Arabia to the World
25 Trade Organization (WTO), the United States re-

1 received assurances from the Kingdom of Saudi Ara-
2 bia that, upon accession, “WTO rules will apply be-
3 tween Saudi Arabia and all current members” which
4 includes Israel. Further, the United States received
5 assurances that “Saudi Arabia is legally obligated to
6 provide most-favored nation treatment to all WTO
7 Members, including Israel. Any government sanc-
8 tioned activity on the Boycott [of Israel] would be
9 a violation of Saudi Arabia’s obligations and subject
10 to dispute settlement. This legal obligation cannot be
11 changed.”.

12 (7) The United States Trade Representative re-
13 ports annually on the Arab League’s trade boycott
14 of Israel under the National Trade Estimate report
15 but that reporting on trade boycotts of Israel can be
16 improved through additional reporting requirements.

17 (8) Greater transparency and more comprehen-
18 sive reporting will assist United States taxpayers in
19 complying with United States law and policy regard-
20 ing trade boycotts of Israel.

21 (9) Improved reporting will enhance efforts to
22 end all trade boycotts of Israel and allow progress
23 on ending such boycotts to be better measured.

24 (10) Taking steps to improve transparency with
25 respect to the boycott of Israel can serve the United

1 States goal of the elimination of the trade boycott of
2 Israel. Fostering increased trade and investment ties
3 between Israel and the countries of the greater Mid-
4 dle East can encourage stronger ties and greater un-
5 derstanding among the peoples of the Middle East.

6 **SEC. 2. STATEMENT OF POLICY.**

7 Congress reaffirms its opposition to trade boycotts of
8 Israel and calls on the President to take stronger steps
9 to end all trade boycotts of Israel.

10 **SEC. 3. NATIONAL TRADE ESTIMATE REPORTING REQUIRE-**
11 **MENT.**

12 Section 181(b) of the Trade Act of 1974 (19 U.S.C.
13 2241(b)) is amended by adding at the end the following:

14 “(4) REPORT ON THE BOYCOTT OF ISRAEL.—

15 “(A) IN GENERAL.—The United States
16 Trade Representative shall include in each re-
17 port submitted under paragraph (1) a list of
18 each country that participates in any trade boy-
19 cott of Israel. With respect to each country
20 identified as participating in a formal or infor-
21 mal trade boycott of the State of Israel, the
22 United States Trade Representative shall report
23 on a country-specific basis the following:

24 “(i) Whether the country is a partici-
25 pant in the Arab League boycott or any

1 other boycott of Israel including any boy-
2 cott sponsored by the Arab League or the
3 Organization of Islamic Conference.

4 “(ii) Whether any officials of the boy-
5 coting country have attended any Arab
6 League or Organization of the Islamic
7 Conference boycott meetings in any official
8 or unofficial capacity during the year pre-
9 ceding the submission of the report.

10 “(iii) Whether the boycotting country
11 maintains a government office with respon-
12 sibility for enforcement of a boycott of
13 Israel.

14 “(iv) Whether the boycotting country
15 has laws enforcing a boycott of Israel or
16 otherwise prohibiting Israeli origin goods
17 from entering its territories and a sum-
18 mary of those laws.

19 “(v) Whether the boycotting country
20 has recently changed its domestic boycott
21 laws or regulations with respect to either
22 strengthening or eliminating the boycott.

23 “(vi) Whether a country’s laws or
24 practices with respect to a boycott of Israel
25 are of a nature that they may lead a tax-

1 payer to reasonably conclude that the tax-
2 payer would be required to report a re-
3 quest to participate in or cooperate with
4 the boycott to the Secretary of the Treas-
5 ury pursuant to section 999 of the Internal
6 Revenue Code of 1986.

7 “(vii) Whether a country encourages
8 or otherwise condones, through govern-
9 ment-sponsored actions, an unofficial boy-
10 cott of goods of Israeli origin, including
11 consumer marketing campaigns directed
12 against the purchase of goods of Israeli or-
13 igin.

14 “(viii) Whether a country’s formal or
15 informal boycott practices have had an
16 identifiable impact on United States ex-
17 ports of goods that have Israeli content.

18 “(ix) Whether a country’s formal or
19 informal boycott practices have had an
20 identifiable impact on United States busi-
21 nesses with operations or investments in
22 Israel.

23 “(B) OTHER INFORMATION.—The United
24 States Trade Representative shall include in the
25 National Trade Estimate a report on any steps

1 taken by the United States at the World Trade
2 Organization or other international fora to end
3 the trade boycott of the State of Israel.”.

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