

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1193

To require that the United States Government hold certain discussions and report to the Congress with respect to the secondary boycott of Israel by Arab countries.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 1995

Mr. SCHUMER introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require that the United States Government hold certain discussions and report to the Congress with respect to the secondary boycott of Israel by Arab countries.

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. SHORT TITLE.**

4 This Act may be cited as the “Procompetitiveness  
5 and Antiboycott Act of 1995”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds that—

1           (1) the boycott of Israel by Arab countries has  
2 distorted international trade and investment;

3           (2) the secondary boycott of Israel by Arab  
4 countries has put at a competitive disadvantage  
5 those United States business enterprises that refuse  
6 to comply with the Arab boycott of Israel;

7           (3) the secondary boycott has stifled foreign in-  
8 vestment in Israel;

9           (4) business enterprises that comply with the  
10 boycott of Israel by Arab countries contribute to the  
11 distortion of international commerce and investment;  
12 and

13           (5) it is in the interest of all countries to have  
14 free trade and a liberal climate for investment.

15 **SEC. 3. OECD REPORT.**

16       (a) DISCUSSIONS AT THE OECD.—The United  
17 States Ambassador to the Organization for Economic Co-  
18 operation and Development (hereafter in this Act referred  
19 to as “OECD”) shall enter into discussions with rep-  
20 resentatives from other countries that are members of  
21 OECD concerning—

22           (1) the extent to which business enterprises,  
23 both public and private, comply with the boycott of  
24 Israel by Arab countries;

1           (2) the effectiveness, with respect to the second-  
2           ary boycott, of antiboycott laws of those countries  
3           that currently have or have had such laws;

4           (3) the extent to which the secondary boycott  
5           has skewed global trade and investment, as well as  
6           regional trade and investment in the Middle East;

7           (4) the extent to which business enterprises not  
8           complying with the boycott of Israel by Arab coun-  
9           tries are placed at a competitive disadvantage as a  
10          result of the secondary boycott;

11          (5) the extent to which the secondary boycott  
12          contradicts OECD trade and investment policy; and

13          (6) the development of a set of guidelines, com-  
14          parable to the prohibitions set forth in section 8(a)  
15          of the Export Administration Act of 1979 on actions  
16          taken to comply with, further, or support a boycott  
17          imposed by a foreign country, that countries that  
18          are members of OECD can agree on as a way to  
19          eliminate compliance with the boycott of Israel by  
20          Arab countries.

21          (b) REPORT TO CONGRESS.—The United States Am-  
22          bassador to the OECD shall submit to the Congress, not  
23          later than 6 months after the date of the enactment of  
24          this Act, a report on the progress of the discussions de-  
25          scribed in subsection (a).

1 **SEC. 4. WTO REPORT.**

2 (a) IN GENERAL.—The United States Trade Rep-  
3 resentative shall enter into discussions with representa-  
4 tives from countries that are members and prospective  
5 members of the World Trade Organization (WTO) to de-  
6 termine the extent to which—

7 (1) the secondary boycott has distorted trade;

8 (2) members and prospective members of the  
9 WTO encourage actions, including the furnishing of  
10 information or entering into implementing agree-  
11 ments, which have the effect of furthering or sup-  
12 porting the boycott of Israel by Arab countries;

13 (3) the WTO can and should work to eliminate  
14 the secondary boycott; and

15 (4) provisions of the multilateral trade agree-  
16 ments, specifically Articles I and XI of the GATT  
17 1994, can be used to eliminate compliance with the  
18 boycott of Israel by Arab countries and what addi-  
19 tional measures, including penalties, can be applied  
20 to countries imposing and complying with the boy-  
21 cott of Israel by Arab countries.

22 (b) REPORT TO CONGRESS.—The United States  
23 Trade Representative shall submit to the Congress, not  
24 later than 6 months after the date of the enactment of  
25 this Act, a report on the discussions described in sub-  
26 section (a).

1 (c) DEFINITIONS.—As used in this section, the terms  
2 “multilateral trade agreements” and “GATT 1994” have  
3 the meanings given those terms in section 2 of the Uru-  
4 guay Round Agreements Act (Public Law 103–465).

5 **SEC. 5. PRESIDENTIAL REPORT.**

6 Not later than 90 days after the date of the enact-  
7 ment of this Act, the President shall submit a report to  
8 the Congress on—

9 (1) what progress has been made in terminating  
10 the secondary boycott, and

11 (2) what progress has been made in terminating  
12 the compliance by countries other than Arab coun-  
13 tries with the boycott of Israel by Arab countries.

14 **SEC. 6. BOYCOTT REPORT.**

15 Not later than 90 days after the date of the enact-  
16 ment of this Act, the Secretary of Commerce, in consulta-  
17 tion with the Secretary of State and the Secretary of the  
18 Treasury, shall submit to the Congress a report on those  
19 OECD member countries that encourage or fail to discour-  
20 age compliance with the boycott of Israel by Arab coun-  
21 tries. Such report shall include—

22 (1) a list of those OECD member countries  
23 which encourage or fail to discourage compliance  
24 with the boycott of Israel by Arab countries; and

1           (2) for each country included in the list under  
2 paragraph (1), a description of the policies, regula-  
3 tions, practices, and laws of the government of that  
4 country which encourage or fail to discourage com-  
5 pliance with the boycott of Israel by Arab countries.

6 **SEC. 7. OFFICE OF ANTIBOYCOTT COMPLIANCE.**

7           It is the sense of the Congress that the Office of  
8 Antiboycott Compliance of the Department of Commerce  
9 should continue exercising its functions for at least 2 years  
10 after the Arab League formally renounces—

- 11           (1) the boycott of Israel by Arab countries,  
12           (2) the secondary boycott, and  
13           (3) any requirement that a business enterprise  
14           comply with the boycott of Israel by Arab countries,  
15 in order to ensure that the countries of the Arab League  
16 are complying with such renunciations.

17 **SEC. 8. DEFINITIONS.**

18           For purposes of this Act—

- 19           (1) the term “secondary boycott” means the  
20 boycott by the governments of Arab countries of—

21           (A) business enterprises which—

- 22                   (i) provide goods or services to Israeli  
23                   nationals or business enterprises organized  
24                   under the laws of Israel or owned or con-  
25                   trolled by Israeli nationals, or

1 (ii) invest in Israel or business enter-  
2 prises described in clause (i);

3 (B) ships that call at Israeli ports; or

4 (C) goods and services of people or entities  
5 which support the State of Israel; and

6 (2) a business enterprise complies with the boy-  
7 cott of Israel by Arab countries when, as a condition  
8 of doing business directly or indirectly within a  
9 country or with the government of, a national of, or  
10 a business enterprise organized under the laws of, a  
11 country, that business enterprise—

12 (A) agrees to refrain from doing business  
13 with or in Israel or with the government or na-  
14 tionals of Israel or business enterprises orga-  
15 nized under the laws of Israel or owned or con-  
16 trolled by Israeli nationals; or

17 (B) agrees to furnish information about its  
18 past, present, or future business relationships  
19 with Israel or with the government or nationals  
20 of Israel or business enterprises described in  
21 subparagraph (A).

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