

# **U.S.-Israel Trade and Commercial Enhancement Act**

*Congressman Peter J. Roskam (R-IL) and Congressman Juan Vargas (D-CA)*

## **SECTION-BY-SECTION**

### **Section 1 – Short Title**

Section 1 provides the short title of the bill.

### **Section 2 – Findings**

Section 2 makes findings pertaining to the history of the United States-Israel economic relationship, including the signing of the United States-Israel Free Trade Agreement. The findings note the strategic importance of Israel to the United States and Congress's role in expanding that partnership, including through the passage of the United States-Israel Enhanced Security Cooperation Act of 2012 and the United States-Israel Strategic Partnership Act of 2014. Section 2 also highlights Congress's role in combatting the Arab League Boycott of Israel, both through statute and through the utilization of free trade accords.

### **Section 3 – Statements of Policy**

Section 3 states that Congress supports the strengthening of the U.S.-Israel economic relationship, recognizes the value of such cooperation to the United States and the role of commercial cooperation to regional peace and stability. The section states that Congress opposes politically motivated actions that limit or penalize commercial cooperation with Israel and identifies that such actions, when taken by governments party to the World Trade Organization, stand in violation of the principle of non-discrimination. Section 3 encourages the inclusion of such politically motivated actions, such as boycotts, divestment from or sanctions against Israel, as a topic of discussion between the United States and Israel and supports efforts to prevent foreign prosecutions of American persons on the sole basis of such persons conducting business in Israel. The section also supports U.S. states considering an entities' promotion of an unsanctioned boycott of Israel in the awarding of state grants of contracts.

### **Section 4 – Principal Trade Negotiating Objectives of the United States**

Section 4 would instruct the Office of the U.S. Trade Representative to utilize free trade negotiations to discourage actions by potential trading partners that could directly or indirectly prejudice or discourage commercial activity between the United States and Israel. Section 4 would instruct the Office of the U.S. Trade Representative to discourage potential trading partners from taking politically motivated actions to boycott, divest from or sanction Israel and to seek the elimination of such barriers to trade where they exist. The section would further instruct the Office of the U.S. Trade Representative to seek the dismantlement of unsanctioned foreign boycotts, such as the Arab League Boycott of Israel, by prospective trading partners of the United States.

### **Section 5 – Report on Politically Motivated Acts of Boycott, Divestment From, and Sanctions Against Israel**

Section 5 would require the President to submit a biannual report to Congress on actions taken by foreign governments or international institutions against Americans conducting business in Israel, its territories or with Israeli entities. The report would include a description of steps taken by the United States to discourage foreign governments or international institutions from taking such actions and to dismantle measures already in place. The section would require a description of actions taken by the United States to prevent investigations or prosecutions against United States persons by foreign governments or international institutions on the sole basis that such persons were conducting business in Israel, its territories or with Israeli entities. The section would also require the documentation of actions by foreign corporations or state-affiliated institutions to prohibit commerce with Israel.

## **Section 6 – Israel Trade and Commerce Boycott Reporting**

Section 6 would amend the Securities Exchange Act of 1934 to require disclosure by foreign issuers identifying whether the issuer has discriminated against conducting business in Israel within the last calendar year, whether the issuer has been advised to discriminate against Israel by a foreign government or non-member state of the United Nations, and whether the issuer believes that it has itself been penalized or sanctioned for conducting business in Israel, its territories or with Israeli entities.

## **Section 7 – Foreign Judgments Against United States Persons**

Section 7 would bar American courts from recognizing or enforcing judgments made by a foreign court against United States persons for conducting business in Israel when that judgment was reached on the basis that conducting business in Israel or in Israeli territories is sufficient to constitute a violation of international law.

## **Section 8 – Definitions**

Section 8 provides the definitions for the bill.