

STATE SENATOR
Leah Vukmir

**Senate Committee on Government Operations, Technology,
and Consumer Protection**

Tuesday, January 9, 2018

Senate Bill 450

Committee members, thank you for hearing Representative Kooyenga's and my bill today. Senate Bill 450 is an important bill that protects our robust trade relationship and close friendship with our ally Israel.

This bill shows that we will not stand for anti-Semitic policies and requires companies that do business with the state to verify they are not participating in any boycotts of Israel as a condition of their contracts. The bill also prohibits state agencies and local governments from establishing policies that would boycott Israel.

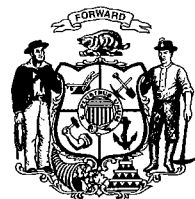
The Boycott, Divestment, and Sanctions (BDS) movement is a deceptive campaign that claims to be concerned with the Israeli treatment of Palestinians. However, the BDS movement is propaganda dedicated to destroying the Jewish state and harms both the Jewish people and Arabs, attempting collaboration.

Wisconsin and Israel share an important trade relationship that accounts for \$80 million in Wisconsin exports per year and \$200 million of Israeli imports. We must continue to nurture the deep connection not only between the United States and Israel, but the positive and strong relationship between Wisconsin and Israel.

Currently, 24 states have passed laws or executive action banning BDS practices including Governor Walker's Executive Order in October of last year, Minnesota, Illinois, Michigan, Iowa, and Indiana. It is vital to stand with our ally Israel and continue to bolster freedom and democracy in the Middle East.

Thank you for your time. I'd be happy to answer any questions you may have.

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January 9, 2018

TO: Senate Committee on Government Operations, Technology and Consumer Protection
FR: Representative Dale Kooyenga
RE: Senate Bill 450

Thank you for holding a hearing on this bill.

In recent years, the Boycott, Divestment and Sanction (BDS) movement has gained traction across the United States. Proponents of BDS pressure government bodies, academic, religious and private enterprises into boycotting or divesting from all Israeli-based companies or companies that conduct business in Israel.

This movement exclusively targets the world's only Jewish state, Israel, for criticism while ignoring conflicts and countries engaged in major human rights violations around the world. BDS seeks to economically harm Israel and question Israel's legitimacy as a member of the international community with the ultimate goal of leading to the dissolution of Israel as a Jewish and Democratic State.

Senator Leah Vukmir and I have introduced Senate Bill 450 which requires companies that do business with Wisconsin to verify they are not participating in any boycotts of Israel as a condition of their contracts. Additionally, this bill prohibits state agencies and local governments from establishing policies that would boycott Israel. Our offices worked closely with the Milwaukee Jewish Federation as well as other Jewish organizations and leaders here in Wisconsin and nationally to craft this bill.

To date, 24 states have introduced or passed legislation restricting state contracting/procurement with companies involved in the BDS movement against Israel. This bill recognizes Wisconsin's economic, scientific, educational and cultural ties with Israel.

Lastly, a concern has been brought to our attention about the definition of persons as well as a request for clarification regarding the threshold amount for which provisions of the bill would apply. We are working on an amendment to clarify that language relating to those engaging in individual boycotts – evidently this issue has led to lawsuits raising constitutional issues.

Thank you for your attention to this legislation. I respectfully ask for your support of Senate Bill 450.



MILWAUKEE
JEWISH FEDERATION

Testimony

January 9, 2018

To: Senator Stroebel, Chair, Senate Committee on Government Operations, Technology and Consumer Protection and Committee members

From: Moshe Katz, Milwaukee Jewish Federation

Re: Senate Bill 450

Good morning, Senator Stroebel and Committee members. Thank you for the opportunity to testify before you today. I am Moshe Katz, a Milwaukee businessman, educator, and incoming chair of the Milwaukee Jewish Federation. I am here to urge you to vote for Senate Bill 450 with the proposed amendment. I would like to thank Senator Vukmir and Representative Kooyenga for their willingness to work with us on this issue.

This bill puts us in line with the many states that have taken an active role in rejecting the discriminatory practice of BDS, the boycott, divestment, and sanctions campaign against Israel. As of last week, 24 states have passed legislation and another three, including Wisconsin, have introduced such legislation. The BDS movement seeks to economically harm Israel and question its legitimacy as a member of the international community with the ultimate goal of leading to the dissolution of Israel as a Jewish and Democratic State.

This bill also puts us in line with the federal government. The U.S. government has rejected boycotts based on national origin and interferences with foreign trade policy in general. The Export Administration Act of 1977 and the Ribicoff Amendment to the Tax Reform Act of 1976, were both designed to combat the Arab League's boycott of Israel.

It's important to note that courts have determined that these policies do not violate the First Amendment because economic boycotts are not protected speech, but are instead a form of commercial activity.

The bill only relates to state contracting and relates only to companies that discriminatorily limit their own business relations with Wisconsin. It does not prohibit or penalize any kind of speech. Proponents of boycotting Israel remain free to call for such boycotts, encourage others to join them, and participate in them.

Furthermore, it should be noted that governments can, without any constitutional question, attach conditions relevant to the actual expenditure of the funds. To put it simply, when a state spends money, it can decide how the work will be done. A state can reasonably decide that a company that boycotts Israel puts politics ahead of business considerations in a way that makes the company less effective, and harms contract performance.

This bill also puts us in line with our own values. Boycotting entities and individuals because they hail from specific countries of national origin amounts to discrimination, which directly contradicts the public policy of our great state and the values of its citizens.

We need this legislation to ensure that the people and government of Wisconsin will not unknowingly become party to discriminatory business practices or boycotts, particularly against Israel.

This is about stopping a movement that is harmful to the long term security and economic viability of both Israel and Palestinians. The globally coordinated Boycott, Divestment, and Sanction (BDS) movement uses economic warfare against the state of Israel to economically, politically and culturally isolate it from the international community. Unfortunately, rather than seeking to change any particular policy, BDS advocates most often reject the existence of the modern state of Israel altogether. Their real goal, though sometimes shrouded in good intention and language about justice and peace, is the destruction of Israel and its right to exist as a homeland for the Jewish people. The BDS movement exclusively targets Israel, the world's only Jewish state, for criticism, while ignoring conflicts and countries engaged in major human rights violations around the world.

In addition to isolating Israel, BDS initiatives sever the economic ties between Israel and its Palestinian neighbors and therefore are counterproductive to finding a long term lasting peace. Those seeking to promote dialogue and cooperation between the Israeli and Palestinian people seek strategic approaches aimed at thwarting BDS activity. Peace will only come with bilateral negotiations NOT the economic boycott of one country. The Palestinian economy and Israeli economy are intrinsically linked—a boycott of Israel damages economic opportunities.

Economic sanctions against Israel are counterproductive to finding a long-term and lasting peace. They often harm Palestinians, whose economy is intertwined with the Israeli economy. The best example of this is when the Israeli-owned Soda Stream closed its manufacturing plant, at the time, located over the Green Line in 2015. It had employed nearly 600 Palestinians and paid medical benefits for many more. Palestinian employees were paid the same as their Israeli counterparts: four times higher than wages for an average Palestinian. It should be noted that the BDS Movement persists in boycotting Soda Stream, in pre-1967 boundaries of Israel, betraying its real motivation, to reject the state altogether.

A peaceful, two-state future requires increased economic interaction and opportunities for Israelis and Palestinians. Economic sanctions against either party undermine these efforts.

Those who support a peaceful solution should support increasing trade links and Israeli-Palestinian economic cooperation. BDS works as an impediment to reaching this objective.

Please support Senate Bill 450 with the proposed amendments to support Wisconsin's economic, scientific, educational and cultural ties with Israel. Stand up against discrimination based on national origin. Stand up for our values. And insist that our state continue to be a beacon for fairness and justice, locally and globally.

Thank you.

Anti-BDS Legislation (As of January 5, 2018)

States That Have Taken Action Against BDS

South Carolina (contracting)
Illinois, (pensions & contracting)
Florida (pensions & contracting)
Colorado (pensions)
Arizona (contracting)
Georgia, (contracting)
Indiana, (pensions)
Iowa, (pensions, contracting)
Alabama, (contracting)
Rhode Island, (contracting)
New Jersey, (pensions)
California (contracting)
Pennsylvania (contracting)
**NY Executive Order (contracting & pensions)
Michigan (contracting)
Ohio (contracting)
Arkansas (pension)
Texas (contracting & pension)
Nevada (contracting & pension)
Minnesota (contracting)
Kansas (contracting)
North Carolina (contracting & Pension)
**Maryland Executive Order (contracting)
**Wisconsin Executive Order (contracting)

Introduced & In-Process:

Massachusetts (contract)
Wisconsin (contract)
Missouri (contract)