

LEGISLATIVE

JANUARY 3, 1994

SUBJECT: PROPOSED ORDINANCE OF THE CITY OF WEST HOLLYWOOD INSTITUTING AN ANTI-ARAB BOYCOTT OF ISRAEL POLICY AND AMENDING ARTICLE I, CHAPTER IV OF THE MUNICIPAL CODE

INITIATED BY: COUNCILMEMBER PAUL KORETZ  
(Leah Archibald)

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STATEMENT ON THE SUBJECT:

The Arab League Boycott of Israel has caused great economic harm to the United States, Israel and many companies who do business with these countries. This item requires any firm or person who contracts with the City of West Hollywood to sign a form stating that they are not participating in the Arab boycott of Israel.

RECOMMENDATION:

Introduce for first reading Ordinance No. 94-\_\_\_\_, "AN ORDINANCE OF THE CITY OF WEST HOLLYWOOD INSTITUTING AN ANTI-ARAB BOYCOTT OF ISRAEL POLICY AND AMENDING ARTICLE I CHAPTER IV OF THE MUNICIPAL CODE"

BACKGROUND:

The Arab boycott of Israel has been in effect since 1946 when the newly-established Arab League imposed an economic boycott against the Jewish community in the Palestine Mandate. While the original boycott was directed against this community, the formation of Israel in 1948 resulted in extension of the boycott to encompass foreign companies and individuals maintaining economic ties with Israel.

In 1952, the boycott expanded from the primary (refusal to trade with Israel) to the secondary (refusal to trade with anyone doing business in or with Israel) and to the tertiary (refusal to trade with firms that conducted business with firms on the Boycott Blacklist).

In light of peace negotiations in the Middle East, it was thought that the Arab League would lift or otherwise weaken their boycott of Israel. Unfortunately, it decided to reaffirm its commitment to the boycott instead.

Current tax code and other trade laws forbid adherence to this boycott, but companies continue to violate these laws. The Office of Anti-Boycott Compliance of the United States Commerce Department reported that it imposed a total of \$6,805,450 in penalties for boycott infringement in the 1993 fiscal year. Most recently, an Ohio-based hose manufacturer was fined \$65,000 for refusing to do business with a company that was on the Arab boycott blacklist.

AGENDA ITEM 6.C.

The California Legislature passed a bill forbidding investments of state pension funds in securities of companies that participate in the boycott. Similar proposals have been adopted by localities such as the City of Los Angeles.

This proposal would be implemented by requiring any firm who contracts with the City to sign a form stating that they do not honor the Arab League boycott of Israel.

**FISCAL IMPACT:**

None.

ORDINANCE NO. 94-\_\_\_

AN ORDINANCE OF THE CITY OF WEST  
HOLLYWOOD INSTITUTING AN ANTI-ARAB  
BOYCOTT OF ISRAEL POLICY AND AMENDING  
ARTICLE I CHAPTER IV OF THE MUNICIPAL  
CODE

THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD DOES  
HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Article I, Chapter IV of the West Hollywood  
Municipal Code is amended to add Section 1403 as follows:

1403. Restrictions on Contracts

- a. The city shall not enter into a contract for any purpose with any foreign person or business that complies with the Arab League boycott of Israel. All such firms that are in compliance with the boycott of Israel shall be disqualified from submitting a bid or proposal to the City for any purpose and all such requests for proposals or bids published by the city shall contain a clause so stating, except as provided for in this section. All firms and entities which seek to do business with the City shall disclose whether they honor the Arab League boycott of Israel.
- b. The City Manager may allow exceptions to this section upon finding that special characteristics of the product offered by a firm or entity make it necessary for the efficient operation of the City or the health, safety and welfare of the public and no comparable product is available from a firm not in violation of this section after a reasonable search at a reasonably comparable price.
- c. The determination by the City Manager shall be in writing, shall specify the nature of the market search conducted, the reason why the product is required by the City, the cost variance involved, the basis for selecting the particular firm.
- d. This report shall in the case of each exception be provided to the City Council and in the case of purchases in excess of five thousand (\$5,000.00) dollars the report shall be provided to the Council prior to the selection of the firm.

1994

PASSED, APPROVED AND ADOPTED this

day of January,

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Mayor

Attest:

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City Clerk