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Congress of the United States
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Juan Vargas
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WESTERN HEMISPHERE, CIVILIAN SECURITY,
AND TRADE
MIDDLE EAST, NORTH AFRICA,
AND INTERNATIONAL TERRORISM

November 8, 2019

The Honorable Gordon Sondland
United States Ambassador to the European Union
U.S. Mission USEU
Zinnerstraat - 13 - Rue Zinner
B-1000 Brussels, Belgium

Dear Ambassador Sondland,

I write to bring your attention to an issue of great concern with the potential to negatively impact relations between the European Union and the United States. Soon, the Court of Justice of the European Union ("CJEU") is expected to decide a case concerning the labeling of certain Israeli-made products imported into the EU. The case was referred to the CJEU by the French Conseil d'État and concerns the legality of a French notice that requires that Israeli-made food products produced over the 1949 Armistice Agreement Lines in areas known as the West Bank, including East Jerusalem, and in the Golan Heights, include the label "Israeli settlement," or, in French, "les colonies." The CJEU will have to decide whether EU law requires or allows Member States to mandate such labeling.

The French notice on labeling of food products of Israel is problematic for a variety of reasons. For example, by seeking to recognize in product labels granular political distinctions between Israel, "settlements," and other territories, practically, it would be extremely difficult to apply accurately and consistently across the distinct geographic area to which it pertains. I am concerned that if the CJEU decision empowers the EU to require or allow its Member States to label Israeli and Palestinian products in the manner proposed, it would facilitate Boycott, Divestment and Sanctions (BDS) tactics and de facto boycotts and discrimination against Israel, and its products, and potentially lead to discrimination on the basis of ethnicity, religion and nationality, contrary to existing EU policies and laws against BDS campaigns, Israel boycotts and discrimination.

The US and EU traded nearly \$1.3 trillion worth of goods and services last year. The United States is the EU's largest trading partner by a considerable margin. Our bilateral trade and investment relationship is the largest and most integrated economic partnership anywhere in the world. If these unfair and counter-productive requirements are mandated by the CJEU, European countries would be forced to single out the world's only Jewish state for distinct, discriminatory treatment and to incur the economic costs of implementing such provisions within the EU. Such a decision would also disrupt the consistent functioning of trade rules under the WTO, given the green light this will provide to other WTO members to introduce

discriminatory labeling regulations that create technical barriers to trade. There are as well real political tensions and challenges that could be created by the imposition of rules directed at Israel.

The United States maintains strong anti-discrimination laws, including anti-boycott laws, that impose criminal, civil, and administrative penalties for discrimination on the basis of race, religion, nationality, ethnicity, or national origin. Additionally, many U.S. States have enacted strong anti-boycott provisions that impose severe penalties and restrictions on companies that participate in boycotts or other economic pressure campaigns against Israel. The U.S. Federal Government and many U.S. States have enacted strong anti-boycott provisions that impose severe penalties and restrictions on companies that participate in boycotts or other economic pressure campaigns against Israel. If the CJEU decision empowers the EU to mandate or allow Member States to implement such labels which target Israeli businesses and exports, there could very well be serious and far-reaching implications and unintended consequences.

I hope you will communicate my concerns to your colleagues in Brussels, Strasbourg, and Luxembourg.

Respectfully,


JUAN VARGAS
Member of Congress