

May 10, 2018

Senator Mike Crapo Chairman Senate Committee on Banking, Housing, and Urban Affairs 534 Dirksen Washington, DC 20510

Senator Sherrod Brown Ranking Member Senate Committee on Banking, Housing, and Urban Affairs 534 Dirksen Washington, DC 20510

RE: Oppose S. 170, the "Combating BDS Act"

We write today in opposition to S. 170, the "Combating BDS Act." We understand S. 170 may be marked up before the Senate Banking, Housing, and Urban Affairs Committee as early as the week of May 14. We also understand that the Committee may be presented with a revised draft that purports to adjust certain provisions to enhance procedural protections for those who may be subject to state sanction under laws the bill presumes to condone. Notwithstanding such changes, the American Civil Liberties Union considers the bill an improper inducement to states to pass legislation that unconstitutionally punishes those doing business with the state based solely on their sincerely held political beliefs. No amount of legislative tinkering can change that basic injustice and we urge you to oppose the bill and refuse to pass it out of committee.¹

The bill would condone state laws penalizing businesses and individuals who express support for a boycott, divestment, or sanctions ("BDS") activities against Israel. It would prevent anyone barred from doing business with a state for participating in BDS activities from using a federal pre-emption argument to avoid state penalties.² While the proposal is of questionable impact, its intent and the intent of the underlying state laws it purports to uphold are contrary to the spirit and letter of the First Amendment guarantee of freedoms of speech and association. Any attempt to advance the bill should be rejected.

BDS activists seek to bring international pressure on Israel to change its policies and actions with respect to Palestine and Palestinians.³ 36 states have considered bills to restrict the state from doing business with or investing in businesses or

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¹ ACLU first opined on this issue in 2016 when an amendment containing similar language was considered for insertion in the State/Foreign Operations funding bill. *See* S. 3117 (114th Congress) at pp. 350-55 (http://www.appropriations.senate.gov/imo/media/doc/FY2017-State-Foreign-Operations-Appropriations-Bill-S3117.pdf). Our letter opposing that amendment can be found at https://www.aclu.org/letter/aclu-letter-opposing-anti-bds-amendments-house-state-foreign-operations.

² The text of S. 170 prior to any amendment can be found at https://www.congress.gov/bill/115th-congress/senate-bill/170/text.

³ See BDS National Committee website. (https://bdsmovement.net/bdsintro).

individuals who participate in BDS activities and 24 have adopted such measures. We take no position on BDS but we do assert that states should not be deciding with whom they do business on the basis of protected expression and association or ideological predisposition. This is especially true where the ideological position has no connection whatsoever with the business relationship at stake.

While each state measure is slightly different, they share the same core – barring or restricting certain people and companies from doing business with the state solely because they participate in BDS campaigns. Make no mistake: these bills discriminate solely on the basis of the viewpoint of those impacted. There is a large class of businesses and individuals who do no business with Israel. Indeed the vast majority of America does no business with Israel. Those who choose not to engage with Israel on a commercial basis do so for many reasons. Some, like those impacted by these state laws, oppose Israel's actions on ideological grounds, voice that opinion, and then follow through. Others may hold similar beliefs and also refrain from engaging with Israel, but choose not to publicly announce their ideological reasoning. Still others don't do business with Israel simply because it doesn't fit within their business model. Only those who participate in BDS campaigns are barred from state contracts and investments even though there are others who refrain from such business opportunities to the very same extent. They are penalized solely because they choose to engage in protected expression disfavored by the political class in the states in question. Such a penalty flies in the face of the First Amendment's guarantee that the state should impose no law infringing on the right to speak freely and to associate with those of like mind.

A number of ACLU's state affiliates have opposed the bills seeking to impose such penalties.⁵ Just as significantly, ACLU has challenged such laws in Arizona⁶ and Kansas and will continue to do so as we identify more local individuals and businesses who are penalized by state governments as a consequence of expressing their beliefs. In Kansas, a federal district court held that political boycotts—including boycotts of Israel—are constitutionally protected.⁷ The court granted a preliminary injunction against the law requiring state contractors to certify that they are not participating in boycotts of Israel, holding:

The conduct prohibited by the Kansas Law is protected for the same reason as the boycotters' conduct in <u>Claiborne</u> was protected... Namely, its organizers have banded together to express collectively their dissatisfaction with the injustice and violence they perceive, as experienced by both Palestinians and Israeli citizens. [The plaintiff] and others participating in this boycott of Israel seek to amplify their voices to influence change, as did the boycotters in <u>Claiborne</u>." Slip Op. at 17.

⁴ See Right to Boycott website (<u>http://www.righttoboycott.org/</u>).

⁵ See, e.g., Letter to Gov. Rick Scott (Feb. 26, 2016) (opposing Florida bill SB 86) (https://aclufl.org/wp-content/uploads/2012/10/Senate-Bill-86-Veto-Recommendation.pdf); Letter to Va. House of Delegates Committee on General Laws (Feb. 2, 2016) (opposing BDS legislation) (https://acluva.org/wp-content/uploads/2016/02/160203-HB1282-Israel-Boycott.pdf); Letter to NJ Legislature (June 6, 2016) (opposing BDS legislation) (https://www.aclu-nj.org/files/7214/6540/3543/2016 06 06 israel boycott.pdf).

⁶ See ACLU Complaint at https://www.aclu.org/legal-document/jordahl-v-brnovich-complaint. Oral argument is scheduled for May 23, 2018.

⁷ See Koontz v. Watson, 5:17-cv-04099; see also <u>Judge Blocks Kansas Law Barring Boycotts of Israel after Wichita Teacher Sued</u>, Wichita Eagle (Jan. 30, 2018) available at http://www.kansas.com/news/politics-government/article197386094.html.

The Kansas court concluded that such conduct is "inherently expressive." The court also concluded that the law's fundamental goal, to undermine the message of those participating in a boycott of Israel, "is either viewpoint discrimination against the opinion that Israel mistreats Palestinians or subject matter discrimination on the topic of Israel. Both are impermissible goals under the First Amendment." While S. 170 does not have the same impact as laws such as the one in Kansas, it does seek to remove barriers to the passage of such laws. Members of the Committee should send a message about the value they place on freedom of speech, pluralism, and diversity of opinion by rejecting this unwarranted bill.

Because the amendment to the Senate bill does not impose a penalty at the federal level, its impact is difficult to gauge. The operative provision of the amendment in the Senate bill gives state and local government permission to "adopt and enforce [anti-BDS] measures." But, of course, an expression of congressional approval cannot render an unconstitutional law constitutional. So, if a state law fails under the First Amendment, this bill will not change that verdict. In some respects, this bill is akin to a resolution – expressing a sense of Congress that it supports such state laws.

ACLU's state affiliates, faced with a wave of bills and executive orders attempting to punish those participating in BDS, have roundly criticized those attempts as unconstitutional attacks on individual speech rights. So, too, must we criticize this effort to ratify the efforts of anti-free speech advocates around the country. S. 170 sends a message to Americans who engage on issues of global importance that if they dare to disagree with their government, they will be penalized and placed in a lesser class with fewer opportunities. That message makes a mockery of the constitutional principle that Americans are free to believe as they choose. This is not about Israel and Palestine – but rather about whether states can treat their citizens differently based on the political positions they choose to express.

We urge you to reject S. 170 when it comes before the Committee for consideration as an unwarranted slap at the First Amendment's guarantee of free speech and association. Contact First Amendment advisor Michael Macleod-Ball at macleod@627consulting.com or 202-253-7589 if you have questions or comments on ACLU's opposition to this measure.

Sincerely,

Faiz Shakir

National Political Director

Cc: Members of the Committee

⁸ Since ACLU's successful challenge, the state changed the anti-boycott certification law, so that it no longer applies to individuals or sole proprietors, applies to companies only if they have a contract for more than \$100,000 worth of business with the state, and requires companies to certify that they are not boycotting Israeli/settlement goods or services "integral" to their contract with the state. The court challenge remains pending.

⁹ See S. 170 at sec. 2(a) available at https://www.congress.gov/bill/115th-congress/senate-bill/170/text.