

RELEASE IN FULL

From: Verma, Richard R <VermaRR@state.gov>
Sent: Friday, March 5, 2010 12:31 PM
To: H; Sullivan, Jacob J
Subject: FW: Manzullo/Gefilte fish update

Here is a summary of where we stand on the gefilte fish issue:

- On the narrow issue of whether the Israelis will allow the two containers being held at customs in Haifa to be admitted duty-free, we are making progress. The Israelis have committed to try to find a work-around, although they claim it's somewhat complicated legally, and we are hopeful that will be resolved in the coming days.
- On the larger issue of the remaining 7 containers still in the U.S. and waiting to be shipped, as well as future shipments, it is much more difficult and more complicated because Israel has the legal right to impose the duties under our existing bilateral trade and economic agreements. We need USTR to get engaged, and U/S Hormats placed a call to the Deputy USTR this morning to request their engagement.
- Meanwhile, Rep. Manzullo is appreciative of the work we're doing to free up the two containers stuck in Haifa, but is still concerned about the remaining seven containers and the longer-term issue. Of note, Rep. Weiner has become engaged on this issue as well, and co-wrote a letter with Manzullo to the Israeli ambassador last week urging Israel to reverse its decision to impose duties on U.S. carp. (Text of letter pasted below.)

Background:

According to our 2004 Agreement on Trade in Agriculture Products (ATAP) with Israel, which is negotiated separately from our bilateral free-trade agreement (our FTA with Israel does not include agriculture products), Israel is able to impose tariffs on carp. Israel had not been enforcing this duty in the past due to a technical mistake: Carp was not specifically listed on any of the lists in the ATAP and had slipped by customs in the past; however, the ATAP states that any product not specifically listed in the agreement's annexes can be imported at a tariff rate no greater than ninety percent of the rate applied to imports of that good from other countries. Israeli domestic fisheries raised this oversight to the attention of GOI officials last Fall, prompting its enforcement for the first time this year.

Legally, in other words, we're in a difficult place. It's still unclear what's in the realm of the possible diplomatically, but since USTR has the lead on enforcement and possible renegotiation of our existing trade/economic agreements, U/S Hormats engaged today with USTR; we're still waiting on a readout from that conversation.

Text of Weiner/ Manzullo letter:

Dear Ambassador Oren,

We are writing to you regarding a shipment of carp that is stuck in the United States because Israel has reversed their longstanding trade policy of not imposing a tariff on US carp. This begs the question, why is this year different than all other years?

Now, Israel is imposing a 120% tax on this carp that is the primary source for Israeli gefilte fish producers. However, as this important holiday approaches, we write to say: don't leave Seder plates empty – pass over this tariff.

Surely our governments do not want to threaten the important U.S. resources used to give Israeli gefilte fish they need for the upcoming holiday of Pesach. Getting gefilte fish to Israel shouldn't require parting the Red Sea.

We respectfully request that Israel revert to their old policy of not taxing imported U.S. carp so that the important and symbolic tradition of eating gefilte fish on Jewish holidays is available to all Israelis.

Let our people('s fish) go!

Sincerely,

ANTHONY D. WEINER
Member of Congress

DON MANZULLO
Member of Congress