



AFPS PRESS RELEASE

After *the Tribunal de Grande Instance de Nanterre* (High Court of Nanterre) has declared that it has jurisdiction to hear the legal claim brought by AFPS against Véolia transport, Alstom and Alstom transport regarding the construction and operation of a light railway in East Jerusalem, Alstom and Alstom transport contest this decision in front of the *Cour d'appel de Versailles* (Court of Appeal of versailles)

In February 2007, the Association France Palestine Solidarité (AFPS, based in Paris, France) launched a court case against the French companies VEOLIA TRANSPORT and ALSTOM, at the High Court of Nanterre (a Paris neighborhood), seeking an order to annul the contract signed in July 2005 by these two companies with the Israeli government as part of the 'City Pass' consortium, which was created to build and operate the light railway in East Jerusalem.

AFPS also applied to the Court for an order requiring these companies not carry out the terms of the contract, which clearly violates the provisions of the Fourth Geneva Convention of 12 August 1949, concerning the protection of civilians in times of war, because the railway helps to foster the expansion of the illegal colonization of East Jerusalem by the state of Israel: the object of the project being to connect the centre of West Jerusalem to illegal settlements established by Israel in East Jerusalem, on land confiscated from Palestinians.

The Palestinian Liberation Organization (PLO) intervened to support AFPS in its demands.

In order to avoid any legal discussion on the legal merits, both VEOLIA TRANSPORT and ALSTOM raised various procedural objections, alleging that the Court lacked jurisdiction to hear the claim or should otherwise declare the claim inadmissible, which led to previous rulings (on 11 January 2008 and 6 June 2008) where ALSTOM et VEOLIA TRANSPORT were ordered by the Court to prepare and disclose sworn French translations of the complete contract and its appendix.

The documents disclosed to the legal team revealed that ALSTOM and VEOLIA TRANSPORT are directly involved in carrying out the terms of this contract, although they are not signatories to the 'City Pass/State of Israel' contract signed on 22 September 2004.

This also applies to ALSTOM TRANSPORT which, in addition, stands to profit from an engineering and construction contract.

This is the reason why the PLO and AFPS commenced a claim against the ALSTOM TRANSPORT company on 18 November 2008 in the High Court of Nanterre: that is, to obtain an order declaring the contract to be illegal and to forbid the company from continuing to comply with its terms.

The entire litigation against the companies was the subject of a hearing on the question of the Court's jurisdiction and the alleged inadmissibility of the claims, held on 2nd February 2009.

On 15 April, the court handed down its admissibility ruling, accepting jurisdiction over the claims.

The judgment, which was based in large part on the argument of the claimants' legal team, accepted our point of view concerning the jurisdiction of the High Court of Nanterre and the right of AFPS to bring the claim, although for procedural reasons the Court decided that the PLO could not be party to the proceedings, at least not for the time being - this issue could be reconsidered at a later stage.

As a preliminary point, the Court found that, on the basis of the documents the companies were ordered to disclose, VEOLIA TRANSPORT, ALSTOM and ALSTOM TRANSPORT are involved in carrying out the terms of the contract and, in consequence, they were indeed appropriately identified as defendants, contrary to the claims made by those three companies.

In addition, the Court declared that it is competent to exercise jurisdiction over the claim, in particular because the companies cannot claim a lack of jurisdiction based on the fact that the state of Israel benefits from sovereign immunity from being sued in the courts of a foreign state.

The Court in fact ruled that: "apart from the fact that the state of Israel is not party to this action, this state could not seriously have standing in relation to disputed contracts in the guise of a sovereign state since this state is in fact an occupying power of the area in the West Bank where the light rail system is being built and where its exploitation is contentious, an area recognized by the international community and the International Court of Justice as being part of the Palestinian territory."

The Court also declared that it had territorial jurisdiction over the cases, as the defendant companies all have their registered offices within its jurisdiction.

The court also justified exercising jurisdiction over the case as follows: "taking into account the risk of denial of justice inherent in the nature of this litigation, the French jurisdiction is, from the start, competent to rule on this claim so as to ensure that the relevant parties obtain access to justice, as provided for in article 6 § 1 of the European Convention on Human Rights. It is settled law that the risk of justice being denied is a criterion for the French jurisdiction to adjudicate on a claim where the litigation has a connection with France, which is the case in the present circumstances, the defendants being French companies based in France. ALSTOM TRANSPORT recognizes that its factories in La Rochelle, Le Mans, Le Creusot, Villeurbanne and Tarbes are building 46 coaches for the Jerusalem tram..."

ALSTOM, ASTOM TRANSPORT and VEOLIA TRANSPORT also argued that the claim initiated by AFPS was inadmissible because as a third party to the disputed contract, AFPS lacked standing to do so.

Again, the Court rejected the defendants' argument and recognized that AFPS had standing to bring the claim, in view of its constitution.

Furthermore, the Court noted that: “there is now a principle that an association can, even without any legislative authorization, sue on behalf of collective interests provided the latter are related to its social purpose. In this case a violation of the aims and social purpose of AFPS arose because the execution of the contracts that are alleged to be unlawful under international humanitarian law, is clearly likely to cause at least moral prejudice.”

Alstom and Alstom transport contested this decision in front of the Court of Appeal of Versailles. The hearing took place on the 9th of November 2009. Veolia, which did not contest the ruling of the Tribunal of Nanterre, was represented by one of its lawyers who declared, at the end of the hearing, that the company will leave it to the decision of the Court. The ruling will be publicized on the 17th of December 2009.

2nd of December 2009