110TH CONGRESS
1ST SESSION

# H. R. 1838

To authorize funding for eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2007

Mr. SHERMAN (for himself, Mr. SHADEGG, Mr. ENGEL, Mr. ACKERMAN, Mr. WAXMAN, Mr. RENZI, Ms. BERKLEY, Ms. SCHAKOWSKY, Mr. PALLONE, Mr. CROWLEY, Mr. MCNULTY, Mr. BERMAN, Mr. BISHOP of Georgia, Mr. BLUMENAUER, Mrs. BONO, Mr. BOSWELL, Ms. CORRINE BROWN of Florida, Mr. BROWN of South Carolina, Mr. CARNAHAN, Mr. CHANDLER, Mr. COHEN, Mr. COURTNEY, Mr. DAVIS of Alabama, Mrs. DAVIS of California, Ms. DELAURO, Mr. DENT, Mr. DOYLE, Mr. FERGUSON, Mr. FRANKS of Arizona, Mr. GERLACH, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. HASTINGS of Florida, Mr. HIGGINS, Mr. HOLT, Mr. HONDA, Mr. ISRAEL, Mr. KIRK, Mr. KLEIN of Florida, Mr. LANGEVIN, Mr. LINDER, Mr. MARSHALL, Ms. MATSUI, Mrs. MCCARTHY of New York, Mr. MCCAUL of Texas, Mr. PATRICK J. MURPHY of Pennsylvania, Mr. NADLER, Mr. PENCE, Mr. ROGERS of Michigan, Mr. ROTHMAN, Mr. SCHIFF, Ms. SCHWARTZ, Mrs. TAUSCHER, Ms. WASSERMAN SCHULTZ, Ms. WATSON, Mr. WEINER, Mr. WEXLER, Mr. WYNN, and Mr. LANTOS) introduced the following bill; which was referred to the Committee on Energy and Commerce

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# A BILL

To authorize funding for eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''United States-Israel Energy Cooperation Act''.

**SEC. 2. FINDINGS.**

Congress finds that—

(1) it is in the highest national security interests of the United States to ensure secure access to reliable energy sources;

(2) the United States relies heavily on the foreign supply of crude oil to meet the energy needs of the United States, currently importing 58 percent of the total oil requirements of the United States, of which 45 percent comes from member states of the Organization of Petroleum Exporting Countries (OPEC);

(3) revenues from the sale of oil by some of these countries directly or indirectly provide funding for terrorism and propaganda hostile to the values of the United States and the West;

(4) in the past, these countries have manipulated the dependence of the United States on the oil supplies of these countries to exert undue influence on United States policy, as during the embargo of

OPEC during 1973 on the sale of oil to the United States, which became a major factor in the ensuing recession;

(5) research by the Energy Information Administration of the Department of Energy has shown that the dependence of the United States on foreign oil will increase by 33 percent over the next 20 years;

(6) a rise in the price of imported oil sufficient to increase gasoline prices by 10 cents per gallon at the pump would result in an additional outflow of $18,000,000,000 from the United States to oil-exporting nations;

(7) for economic and national security reasons, the United States should reduce, as soon as practicable, the dependence of the United States on nations that do not share the interests and values of the United States;

(8) the State of Israel has been a steadfast ally and a close friend of the United States since the creation of Israel in 1948;

(9) like the United States, Israel is a democracy that holds civil rights and liberties in the highest regard and is a proponent of the democratic values of peace, freedom, and justice;

(10) cooperation between the United States and Israel on such projects as the development of the Arrow Missile has resulted in mutual benefits to United States and Israeli security;

(11) the special relationship between Israel and the United States has been and continues to be manifested in a variety of jointly-funded cooperative programs in the field of scientific research and development, such as—

(A) the United States-Israel Binational Science Foundation (BSF);

(B) the Israel-United States Binational Agricultural Research and Development Fund (BARD); and

(C) the Israel-United States Binational Industrial Research and Development (BIRD) Foundation;

(12) these programs, supported by the matching contributions from the Government of Israel and the Government of the United States and directed by key scientists and academics from both countries, have made possible many scientific breakthroughs in the fields of life sciences, medicine, bioengineering, agriculture, biotechnology, communications, and others;

(13) on February 1, 1996, United States Secretary of Energy Hazel R. O'Leary and Israeli Minister of Energy and Infrastructure Gonen Segev signed the Agreement Between the Department of Energy of the United States of America and the Ministry of Energy and Infrastructure of Israel Concerning Energy Cooperation, to establish a framework for collaboration between the United States and Israel in energy research and development activities;

(14) the United States and Israeli governments should promote cooperation in a broad range of projects designed to enhance supplies of nonpetroleum energy for both countries, and to provide for cutting edge research in each country;

(15) Israeli scientists and researchers have long been at the forefront of research and development in the field of alternative renewable energy sources;

(16) many of the top corporations of the world have recognized the technological and scientific expertise of Israel by locating important research and development facilities in Israel;

(17) among the technological breakthroughs made by Israeli scientists and researchers in the field of alternative, renewable energy sources are—

(A) the development of a cathode that uses hexavalent iron salts that accept 3 electrons per ion and enable rechargeable batteries to provide 3 times as much electricity as existing rechargeable batteries;

(B) the development of a technique that vastly increases the efficiency of using solar energy to generate hydrogen for use in energy cells; and

(C) the development of a novel membrane used in new and powerful direct-oxidant fuel cells that is capable of competing favorably with hydrogen fuel cells and traditional internal combustion engines; and

(18) cooperation between the United States and Israel in the field of research and development of alternative renewable energy sources would be in the interests of both countries, and both countries stand to gain much from such cooperation.

**SEC. 3. GRANT PROGRAM.**

(a) AUTHORITY.—Pursuant to the responsibilities described in section 102(10), (14), and (17) of the Department of Energy Organization Act (42 U.S.C. 7112(10), (14), and (17)) and section 103(9) of the Energy Reorganization Act of 1974 (42 U.S.C. 5813(9)), the Secretary, in consultation with the BIRD or BSF, shall award grants to eligible entities.

(b) APPLICATION.—

(1) SUBMISSION OF APPLICATIONS.—To receive a grant under this section, an eligible entity shall submit an application to the Secretary containing such information and assurances as the Secretary, in consultation with the BIRD or BSF, may require.

(2) SELECTION OF ELIGIBLE ENTITIES.—The Secretary, in consultation with the Directors of the BIRD and BSF, may review any application submitted by any eligible entity and select any eligible entity meeting criteria established by the Secretary, in consultation with the Advisory Board, for a grant under this section.

(c) AMOUNT OF GRANT.—The amount of each grant awarded for a fiscal year under this section shall be determined by the Secretary, in consultation with the BIRD or BSF.

(d) RECOUPMENT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall establish procedures and criteria for recoupment in connection with any eligible project carried out by an eligible entity that receives a grant

under this section, which has led to the development of a product or process which is marketed or used.

(2) AMOUNT REQUIRED.—

(A) Except as provided in subparagraph (B), such recoupment shall be required as a condition for award and be proportional to the Federal share of the costs of such project, and shall be derived from the proceeds of royalties or licensing fees received in connection with such product or process.

(B) In the case where a product or process is used by the recipient of a grant under this section for the production and sale of its own products or processes, the recoupment shall consist of a payment equivalent to the payment which would be made under subparagraph (A).

(3) WAIVER.—The Secretary may at any time waive or defer all or some of the recoupment requirements of this subsection as necessary, depending on—

(A) the commercial competitiveness of the entity or entities developing or using the product or process;

(B) the profitability of the project; and

(C) the commercial viability of the product or process utilized.

(e) PRIVATE FUNDS.—The Secretary may accept contributions of funds from private sources to carry out this Act.

(f) OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY.—The Secretary shall carry out this section through the existing programs at the Office of Energy Efficiency and Renewable Energy.

(g) REPORT.—Not later than 180 days after receiving a grant under this section, each recipient shall submit a report to the Secretary—

(1) documenting how the recipient used the grant funds; and

(2) evaluating the level of success of each project funded by the grant.

**SEC. 4. INTERNATIONAL ENERGY ADVISORY BOARD.**

(a) ESTABLISHMENT.—There is established in the Department of Energy an International Energy Advisory Board.

(b) DUTIES.—The Advisory Board shall advise the Secretary on—

(1) criteria for the recipients of grants awarded under section 3(a);

(2) the total amount of grant money to be awarded to all grantees selected by the Secretary, in consultation with the BIRD; and

(3) the total amount of grant money to be awarded to all grantees selected by the Secretary, in consultation with the BSF, for each fiscal year.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The Advisory Board shall be composed of—

(A) 1 member appointed by the Secretary of Commerce;

(B) 1 member appointed by the Secretary of Energy; and

(C) 2 members who shall be Israeli citizens, appointed by the Secretary of Energy after consultation with appropriate officials in the Israeli Government.

(2) DEADLINE FOR APPOINTMENTS.—The initial appointments under paragraph (1) shall be made not later than 60 days after the date of enactment of this Act.

(3) TERM.—Each member of the Advisory Board shall be appointed for a term of 4 years.

(4) VACANCIES.—A vacancy on the Advisory Board shall be filled in the manner in which the original appointment was made.

(5) BASIC PAY.—

(A) COMPENSATION.—A member of the Advisory Board shall serve without pay.

(B) TRAVEL EXPENSES.—Each member of the Advisory Board shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions of subchapter I of chapter 57 of title 5, United States Code.

(6) QUORUM.—Three members of the Advisory Board shall constitute a quorum.

(7) CHAIRPERSON.—The Chairperson of the Advisory Board shall be designated by the Secretary of Energy at the time of the appointment.

(8) MEETINGS.—The Advisory Board shall meet at least once annually at the call of the Chairperson.

(d) TERMINATION.—Section 14(a)(2)(B) of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Advisory Board.

**SEC. 5. DEFINITIONS.**

In this Act:

(1) ADVISORY BOARD.—The term "Advisory Board" means the International Energy Advisory Board established by section 4(a).

(2) BIRD.—The term "BIRD" means the Israel-United States Binational Industrial Research and Development Foundation.

(3) BSF.—The term "BSF" means the United States-Israel Binational Science Foundation.

(4) ELIGIBLE ENTITY.—The term "eligible entity" means a joint venture comprised of both Israeli and United States private business entities or a joint venture comprised of both Israeli academic persons (who reside and work in Israel) and United States academic persons, that—

(A) carries out an eligible project; and

(B) is selected by the Secretary, in consultation with the BIRD or BSF, using the criteria established by the Secretary, in consultation with the Advisory Board.

(5) ELIGIBLE PROJECT.—The term "eligible project" means a project to encourage cooperation between the United States and Israel on research, development, or commercialization of alternative energy, improved energy efficiency, or renewable energy sources.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Energy, acting through the Assistant Secretary of Energy for Energy Efficiency and Renewable Energy.

**SEC. 6. TERMINATION.**

The grant program authorized under section 3 and the Advisory Board shall terminate upon the expiration of the 7-year period which begins on the date of the enactment of this Act.

**SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

The Secretary is authorized to expend not more than $20,000,000 to carry out this Act for each of fiscal years 2008 through 2014 from funds previously authorized to the Office of Energy Efficiency and Renewable Energy.

**SEC. 8. CONSTITUTIONAL AUTHORITY.**

The Constitutional authority on which this Act rests is the power of Congress to regulate commerce with foreign nations as enumerated in Article I, Section 8 of the United States Constitution.

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