To amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to make improvements to certain defense and security assistance provisions and to authorize the appropriations of funds to Israel, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 5, 2018

Mr. RUBIO (for himself and Mr. COONS) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to make improvements to certain defense and security assistance provisions and to authorize the appropriations of funds to Israel, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “United States-Israel Security Assistance Authorization Act of 2018”.
(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Appropriate congressional committees defined.

TITLE I—SECURITY ASSISTANCE FOR ISRAEL

Sec. 101. Findings.
Sec. 102. Statement of policy regarding Israel’s defense systems.
Sec. 103. Assistance for Israel.
Sec. 104. Extension of war reserves stockpile authority.
Sec. 105. Extension of loan guarantees to Israel.
Sec. 106. Joint assessment of quantity of precision guided munitions for use by Israel.
Sec. 107. Transfer of precision guided munitions to Israel.
Sec. 108. Modification of rapid acquisition and deployment procedures.
Sec. 109. Eligibility of Israel for the strategic trade authorization exception to certain export control licensing requirements.

TITLE II—ENHANCED UNITED STATES-ISRAEL COOPERATION

Sec. 201. United States-Israel space cooperation.
Sec. 202. United States Agency for International Development—Israel enhanced cooperation.
Sec. 203. Authority to enter into a cooperative project agreement with Israel to counter unmanned aerial vehicles that threaten the United States or Israel.

TITLE III—ENSURING ISRAEL’S QUALITATIVE MILITARY EDGE

Sec. 301. Improved reporting on enhancing Israel’s qualitative military edge and security posture.
Sec. 302. Statement of policy.

SEC. 2. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this Act, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Relations and the Committee on Armed Services of the Senate; and

(2) the Committee on Foreign Affairs and the Committee on Armed Services of the House of Representatives.
TITLE I—SECURITY ASSISTANCE
FOR ISRAEL

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) In April 1998, the United States designated Israel as a “major non-NATO ally”.

(2) On August 16, 2007, the United States and Israel signed a 10-year Memorandum of Understanding on United States military assistance to Israel. The total assistance over the course of this understanding would equal $30,000,000,000.

(3) On July 27, 2012, the United States-Israel Enhanced Security Cooperation Act of 2012 (Public Law 112–150; 22 U.S.C. 8601 et seq.) declared it to be the policy of the United States “to help the Government of Israel preserve its qualitative military edge amid rapid and uncertain regional political transformation” and “provide Israel defense articles and services, to include air refueling tankers, missile defense capabilities, and specialized munitions”.

(4) On December 19, 2014, President Barack Obama signed into law the United States-Israel Strategic Partnership Act of 2014 (Public Law 113–296) which stated the sense of Congress that Israel is a major strategic partner of the United States.
and declared it to be the policy of the United States “to continue to provide Israel with robust security assistance, including for the procurement of the Iron Dome Missile Defense System”.

(5) Section 1679 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 1135) authorized funds to be appropriated for Israeli cooperative missile defense program codevelopment and coproduction, including funds to be provided to the Government of Israel to procure the David’s Sling weapon system as well as the Arrow 3 Upper Tier Interceptor Program.

(6) On June 22, 2016, Senate Resolution 508 (114th Congress) was introduced in the United States Senate, expressing support for the expeditious consideration and finalization of a new, robust, and long-term Memorandum of Understanding on military assistance to Israel between the United States Government and the Government of Israel.

(7) Senate Resolution 508 provides that the Senate—

(A) “reaffirms that Israel is a major strategic partner of the United States”;

(B) “reaffirms that it is the policy and law of the United States to ensure that Israel main-
tains its qualitative military edge and has the
capacity and capability to defend itself from all
credible military threats’’;

(C) “reaffirms United States support of a
robust Israeli tiered missile defense program’’;

(D) “supports continued discussions be-
tween the Government of the United States and
the Government of Israel for a robust and long-
term Memorandum of Understanding on United
States military assistance to Israel’’;

(E) “urges the expeditious finalization of a
new Memorandum of Understanding between
the Government of the United States and the
Government of Israel”; and

(F) “supports a robust and long-term
Memorandum of Understanding negotiated be-
tween the United States and Israel regarding
military assistance which increases the amount
of aid from previous agreements and signifi-
cantly enhances Israel’s military capabilities’’.

(8) On September 14, 2016, the United States
and Israel signed a 10-year Memorandum of Under-
standing reaffirming the importance of continuing
annual United States military assistance to Israel
and cooperative missile defense programs in a way
that enhances Israel’s security and strengthens the bilateral relationship between the two countries.

(9) The 2016 Memorandum of Understanding reflected United States support of Foreign Military Financing (FMF) grant assistance to Israel over the ten year period beginning in fiscal year 2019 and ending in fiscal year 2028. FMF grant assistance would be at a level of $3,300,000,000 annually, totaling $33,000,000,000, the largest United States assistance package ever and a reiteration of the seven-decade, unshakeable, bipartisan commitment of the United States to Israel’s security.

(10) The Memorandum of Understanding also reflected United States support for funding for cooperative programs to develop, produce, and procure missile, rocket, and projectile defense capabilities over a ten year period beginning in fiscal year 2019 and ending in fiscal year 2028 at a level of $500,000,000 per year, totaling $5,000,000,000.

SEC. 102. STATEMENT OF POLICY REGARDING ISRAEL’S DEFENSE SYSTEMS.

It shall be the policy of the United States to provide assistance to the Government of Israel in order to support funding for cooperative programs to develop, produce, and procure missile, rocket, projectile, and other defense capa-
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bilities to help Israel meet its security needs and to help
develop and enhance United States defense capabilities.

SEC. 103. ASSISTANCE FOR ISRAEL.

(a) Authorization of Appropriations for

Israel.—Section 513(c) of the Security Assistance Act
of 2000 (Public Law 106–280; 114 Stat. 856) is amend-
ed—

(1) in paragraph (1), by striking “2002 and
2003” and inserting “2019, 2020, 2021, 2022,
2023, 2024, 2025, 2026, 2027, and 2028”; and

(2) in paragraph (2)—

(A) by striking “equal to—” and inserting
“not less than $3,300,000,000.”; and

(B) by striking subparagraphs (A) and
(B).

SEC. 104. EXTENSION OF WAR RESERVES STOCKPILE AU-

THORITY.

(a) Department of Defense Appropriations
Act, 2005.—Section 12001(d) of the Department of De-
fense Appropriations Act, 2005 (Public Law 108–287;
118 Stat. 1011) is amended by striking “after September
30, 2018” and inserting “after September 30, 2023”.

(b) Foreign Assistance Act of 1961.—Section
514(b)(2)(A) of the Foreign Assistance Act of 1961 (22
U.S.C. 2321h(b)(2)(A)) is amended by striking “2013,
SEC. 105. EXTENSION OF LOAN GUARANTEES TO ISRAEL.

Chapter 5 of title I of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 117 Stat. 576) is amended under the heading “Loan Guarantees to Israel”—

(1) in the matter preceding the first proviso, by striking “September 30, 2019” and inserting “September 30, 2023”; and

(2) in the second proviso, by striking “September 30, 2019” and inserting “September 30, 2023”.

SEC. 106. JOINT ASSESSMENT OF QUANTITY OF PRECISION GUIDED MUNITIONS FOR USE BY ISRAEL.

(a) In General.—The President, acting through the Secretary of State and the Secretary of Defense, is authorized to conduct a joint assessment with the Government of Israel with respect to the matters described in subsection (b).

(b) Matters Described.—The matters described in this subsection are the following:

(1) The quantity and type of precision guided munitions that are necessary for Israel to combat
Hezbollah in the event of a sustained armed confrontation between Israel and Hezbollah.

(2) The quantity and type of precision guided munitions that are necessary for Israel in the event of a sustained armed confrontation with other armed groups and terrorist organizations such as Hamas.

(3) The resources the Government of Israel can plan to dedicate to acquire such precision guided munitions.

(4) United States planning to assist Israel to prepare for sustained armed confrontations described in this subsection as well as the ability of the United States to resupply Israel in the event of confrontations described in paragraphs (1) and (2), if any.

(e) REPORT.—

(1) IN GENERAL.—Not later than 15 days after the date on which the joint assessment authorized under subsection (a) is completed, the President shall submit to the appropriate congressional committees a report that contains the joint assessment.

(2) FORM.—The report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.
SEC. 107. TRANSFER OF PRECISION GUIDED MUNITIONS TO ISRAEL.

(a) In General.—Notwithstanding section 514 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h), the President is authorized—

(1) to utilize the Special Defense Acquisition Fund to transfer precision guided munitions and related defense articles and services to reserve stocks for Israel; and

(2) to transfer such quantities of precision guided munitions from reserve stocks for Israel as necessary for legitimate self-defense and otherwise consistent with the purposes and conditions for such transfers under the Arms Export Control Act (22 U.S.C. 2751 et seq.).

(b) Certifications.—Except in case of emergency, not later than 5 days before making a transfer under this section, the President shall certify in an unclassified notification to the appropriate congressional committees that the transfer of the precision guided munitions—

(1) does not affect the ability of the United States to maintain a sufficient supply of precision guided munitions;

(2) does not harm the combat readiness of the United States or the ability of the United States to
meet its commitment to allies for the transfer of such munitions; and

(3) is absolutely necessary for Israel to counter the threat of rockets in a timely fashion.

SEC. 108. MODIFICATION OF RAPID ACQUISITION AND DEPLOYMENT PROCEDURES.

(a) Requirement To Establish Procedures.—

(1) In general.—Section 806(a) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note; Public Law 107–314) is amended—

(A) in paragraph (1)(C), by striking “; and”;

(B) in paragraph (2), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following new paragraph:

“(3) urgently needed to support production of precision guided munitions—

“(A) for United States counterterrorism missions; or

“(B) to assist an ally of the United States under direct missile threat from—

“(i) an organization the Secretary of State has designated as a foreign terrorist
organization pursuant to section 219 of the Immigration and Nationality Act (8 U.S.C. 1189); or

“(ii) a country the government of which the Secretary of State has determined, for purposes of section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as in effect pursuant to the International Emergency Economic Powers Act), section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), section 40 of the Arms Export Control Act (22 U.S.C. 2780), or any other provision of law, is a government that has repeatedly provided support for acts of international terrorism.”.

(2) Prescription of procedures.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe procedures for the rapid acquisition and deployment of supplies and associated support services for purposes described in paragraph (3) of section 806(a) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1)(A) of this subsection.
(b) **Use of Amounts in Special Defense Acquisition Fund.**—Section 114(c)(3) of title 10, United States Code, is amended by inserting before the period at the end the following: “or to assist an ally of the United States that is under direct missile threat, including from a terrorist organization supported by Iran, and such threat adversely affects the safety and security of such ally”.

**SEC. 109. ELIGIBILITY OF ISRAEL FOR THE STRATEGIC TRADE AUTHORIZATION EXCEPTION TO CERTAIN EXPORT CONTROL LICENSING REQUIREMENTS.**

(a) **Findings.**—Congress makes the following findings:

1. Israel has adopted high standards in the field of export controls.

2. Israel has declared its unilateral adherence to the Missile Technology Control Regime, the Australia Group, and the Nuclear Suppliers Group.

3. Israel is a party to—

   (A) the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons which may be Deemed to be Excessively Injurious or to Have Indiscriminate Effects, signed at Geneva October 10, 1980;
(B) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare, signed at Geneva June 17, 1925; and

(C) the Convention on the Physical Protection of Nuclear Material, adopted at Vienna October 26, 1979.

(4) Section 6(b) of the United States-Israel Strategic Partnership Act of 2014 (22 U.S.C. 8603 note) directs the President, consistent with the commitments of the United States under international agreements, to take steps so that Israel may be included in the list of countries eligible for the strategic trade authorization exception under section 740.20(c)(1) of title 15, Code of Federal Regulations, to the requirement for a license for the export, re-export, or in-country transfer of an item subject to controls under the Export Administration Regulations.

(5) As of December 27, 2016, the last publication of the license exceptions country list, Israel had not been included for the strategic trade authorization exception under section 740.20 (e) (1) of title 15, Code of Federal Regulations.
(b) Report on Eligibility for Strategic Trade Authorization Exception.—

(1) In general.—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that—

(A) describes the steps taken to include Israel in the list of countries eligible for the strategic trade authorization exception under section 740.20(c)(1) of title 15, Code of Federal Regulations, as required under 6(b) of the United States-Israel Strategic Partnership Act of 2014 (22 U.S.C. 8603 note; Public Law 113–296); and

(B) includes the reasons as to why Israel has not yet been included in such list of countries eligible for the strategic trade authorization exception.

(2) Form.—The report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.
TITLE II—ENHANCED UNITED STATES-ISRAEL COOPERATION

SEC. 201. UNITED STATES-ISRAEL SPACE COOPERATION.

(a) FINDINGS.—Congress makes the following findings:

(1) Authorized in 1958, the National Aeronautics and Space Administration (NASA) supports and coordinates United States Government research in aeronautics, human exploration and operations, science, and space technology.

(2) Established in 1983, the Israel Space Agency (ISA) supports the growth of Israel’s space industry by supporting academic research, technological innovation, and educational activities.

(3) The mutual interest of the United States and Israel in space exploration affords both nations an opportunity to leverage their unique abilities to advance scientific discovery.

(4) In 1996, NASA and the ISA entered into their first agreement outlining areas of mutual cooperation, which remained in force until 2005.

(5) Since 1996, NASA and the ISA have successfully cooperated on many space programs supporting the Global Positioning System and research
related to the sun, earth science, and the environment.

(6) The bond between NASA and the ISA was permanently forged on February 1, 2003, with the loss of the crew of STS–107, including Israeli Astronaut Ilan Ramon.

(7) The United States-Israel Strategic Partnership Act of 2014 (Public Law 113–296) designated Israel as a major strategic partner of the United States.

(8) On October 13, 2015, the United States and Israel signed the Framework Agreement between the National Aeronautics and Space Administration of the United States of America and the Israel Space Agency for Cooperation in Aeronautics and the Exploration and Use of Airspace and Outer Space for Peaceful Purposes.

(b) CONTINUING COOPERATION.—The Administrator of the National Aeronautics and Space Administration shall continue to work with the Israel Space Agency to identify and cooperatively pursue peaceful space exploration and science initiatives in areas of mutual interest, taking all appropriate measures to protect sensitive information, intellectual property, trade secrets, and economic interests of the United States.
SEC. 202. UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT—ISRAEL ENHANCED CO-
OPERATION.

(a) STATEMENT OF POLICY.—It should be the policy
of the United States Agency for International Develop-
ment (USAID) to cooperate with Israel in order to ad-
vance common goals across a wide variety of sectors, in-
cluding energy, agriculture and food security, democracy,
human rights and governance, economic growth and trade,
education, environment, global health, and water and san-
tation.

(b) MEMORANDUM OF UNDERSTANDING.—The Ad-
ministrator of the United States Agency for International
Development is authorized to enter into memoranda of un-
derstanding with Israel in order to advance common goals
on energy, agriculture and food security, democracy,
human rights and governance, economic growth and trade,
education, environment, global health, and water and san-
tation with a focus on strengthening mutual ties and co-
operation with nations throughout the world.
SEC. 203. AUTHORITY TO ENTER INTO A COOPERATIVE
PROJECT AGREEMENT WITH ISRAEL TO
COUNTER UNMANNED AERIAL VEHICLES
THAT THREATEN THE UNITED STATES OR
ISRAEL.

(a) FINDINGS.—Congress makes the following find-
ings:

(1) On February 10, 2018, Iran launched from
Syria an unmanned aerial vehicle (commonly known
as a “drone”) that penetrated Israeli airspace.

(2) Israeli officials noted that the unmanned
aerial vehicle was in Israeli airspace for a minute-
and-a-half before being shot down by its air force.

(3) Senior Israeli officials stated that the un-
manned aerial vehicle was an advanced piece of tech-
nology.

(4) It remains unclear whether the unmanned
aerial vehicle was armed. Nonetheless, the launch,
and sophistication of the unmanned aerial vehicle,
highlight the threat Israel faces from unmanned aer-
ial vehicles from Iranian forces active in Syria and
from Hezbollah in Lebanon.

(5) The United States likewise faces the threat
of unmanned aerial vehicles along the United States
border and in areas of active hostilities, including Is-
lamic State of Iraq and Syria (ISIS) drones in Syria.
and Iraq and al Qaeda manufactured drones in Af-
ghanistan.

(b) **SENSE OF CONGRESS.**—It is the sense of the
Congress that—

(1) joint research and development to counter
unmanned aerial vehicles will serve the national se-
curity interests of the United States and Israel;

(2) Israel faces urgent and emerging threats
from unmanned aerial vehicles, and other unmanned
vehicles, launched from Lebanon by Hezbollah, from
Syria by Iran’s Revolutionary Guard Corps, or from
others seeking to attack Israel; and

(3) the United States and Israel should con-
tinue to work together to defend against all threats
to the safety, security, and national interests of both
countries.

(c) **AUTHORITY TO ENTER INTO AGREEMENT.**—

(1) **IN GENERAL.**—The President is authorized
to enter into a cooperative project agreement with
Israel under the authority of section 27 of the Arms
Export Control Act (22 U.S.C. 2767), to carry out
research on and development, testing, evaluation,
and joint production (including follow-on support) of
defense articles and defense services to detect, track,
and destroy unmanned aerial vehicles that threaten the United States or Israel.

(2) APPLICABLE REQUIREMENTS.—The cooperative project agreement described in paragraph (1)—

(A) shall provide that any activities carried out pursuant to the agreement are subject to—

(i) the applicable requirements described in subparagraphs (A), (B), and (C) of section 27(b)(2) of the Arms Export Control Act (22 U.S.C. 2767(b)(2)); and

(ii) any other applicable requirements of the Arms Export Control Act (22 U.S.C. 2751 et seq.) with respect to the use, transfers, and security of such defense articles and defense services under that Act; and

(B) shall establish a framework to negotiate the rights to intellectual property developed under the agreement.
TITLE III—ENSURING ISRAEL’S QUALITATIVE MILITARY EDGE

SEC. 301. IMPROVED REPORTING ON ENHANCING ISRAEL’S QUALITATIVE MILITARY EDGE AND SECURITY POSTURE.

Section 201(c)(2) the Naval Vessel Transfer Act of 2008 is amended by adding at the end the following: “The report shall include an assessment of—

“(A) the ability of Israel to effectively defend itself against military threats from regional non-state actors;

“(B) the risk that is posed by the sale or export of a subsequent unauthorized transfer or proliferation of the equipment for use against Israel;

“(C) the range of cyber and asymmetric threats posed to Israel by state and non-state actors;

“(D) the range of threats posed to Israel by state and non-state actors through the use of unmanned vehicles and systems, through air, land, or water; and

“(E) the effective countermeasures available to Israel to defend against the risks and
threats described in subparagraphs (B) through (D).”.

SEC. 302. STATEMENT OF POLICY.

It is the policy of the United States to ensure that Israel maintains its ability to counter and defeat any credible conventional military, or emerging, threat from any individual state or possible coalition of states or from non-state actors, while sustaining minimal damages and casualties, through the use of superior military means, possessed in sufficient quantity, including weapons, command, control, communication, intelligence, surveillance, and reconnaissance capabilities that in their technical characteristics are superior in capability to those of such other individual or possible coalition states or non-state actors.