115TH CONGRESS
2D SESSION

S. 2497

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 2018

Referred to the Committee on Foreign Affairs, and in addition to the Committees on Armed Services, and Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

AN ACT

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.

1  Be it enacted by the Senate and House of Representa-
2  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 partnership for development cooperation in developing nations.
- 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. 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 February 1987, the United States granted Israel major non-NATO ally status.

(2) On August 16, 2007, the United States and Israel signed a ten-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 stated the sense of Congress that the United States Government should “provide the Government of Israel defense articles and defense services through such mechanisms as appro-
appropriate, 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 September 14, 2016, the United States and Israel signed a ten-year Memorandum of Understanding 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.

(7) 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 single pledge of military assistance ever and a reiteration of the seven-decade, unshakeable, bipartisan commitment of the United States to Israel’s security.

(8) 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-
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 amended—

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

(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 AUTHORITY.

(a) Department of Defense Appropriations Act, 2005.—Section 12001(d) of the Department of Defense 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 plans 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 with precision guided munitions in the event of confrontations described in paragraphs (1) and (2), if any.

(5) The current United States inventory of the precision guided munitions described in paragraphs (1) and (2), and an assessment whether such inventory meets the United States total munitions requirement.

(c) 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 to sell such quantities of precision guided munitions from reserve stocks to Israel as necessary for legitimate self-defense and otherwise consistent with the purposes and conditions for such sales 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 sale under this section, the President shall certify in an unclassified notification to the appropriate congressional committees that the sale 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 necessary for Israel to counter the threat
of rockets in a timely fashion.

SEC. 108. MODIFICATION OF RAPID ACQUISITION AND DE-
PLOYMENT PROCEDURES.

(a) REQUIREMENT TO ESTABLISH PROCEDURES.—

(1) IN GENERAL.—Section 806(a) of the Bob
Stump National Defense Authorization Act for Fis-
cal 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 pe-
riod at the end and inserting “; or”; 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, reexport, or in-country transfer of an item subject to controls under the Export Administration 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 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 what steps are necessary for Israel to be included in such a 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 indu-
try 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 an 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) 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 PARTNERSHIP FOR DEVELOPMENT COOPERATION IN DEVELOPING NATIONS.

(a) STATEMENT OF POLICY.—It should be the policy of the United States Agency for International Development (USAID) to partner with Israel in order to advance common goals across a wide variety of sectors, including energy, agriculture and food security, democracy, human rights and governance, economic growth and trade, education, environment, global health, and water and sanitation.

(b) MEMORANDUM OF UNDERSTANDING.—The Administrator of the United States Agency for International Development is authorized to enter into memoranda of understanding with Israel in order to enhance coordination on advancing common goals on energy, agriculture and
food security, democracy, human rights and governance, economic growth and trade, education, environment, global health, and water and sanitation with a focus on strengthening mutual ties and cooperation 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 findings:

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

(2) According to a press report, 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 unmanned aerial vehicle was an advanced piece of technology.

(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 security 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;

(3) efforts to counter unmanned aerial vehicles should include the feasibility of utilizing directed energy and high powered microwave technologies, which can disable vehicles without kinetic destruction; and

(4) the United States and Israel should continue 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, such as the
use of directed energy or high powered microwave
technology, to detect, track, and destroy unmanned
aerial vehicles that threaten the United States or
Israel.

(2) APPLICABLE REQUIREMENTS.—The coopera-
tive project agreement described in paragraph (1)
shall—

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

(i) the applicable requirements de-
scribed 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;

(B) establish a framework to negotiate the
rights to intellectual property developed under
the agreement; and

(C) include appropriate protections for sen-
sitive technology.

(d) REPORT ON COOPERATION.—
(1) **Report required.**—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees (as that term is defined in section 101(a) of title 10, United States Code), the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives a report describing the cooperation of the United States with Israel with respect to countering unmanned aerial systems that includes each of the following:

(A) An identification of specific capability gaps of the United States and Israel with respect to countering unmanned aerial systems.

(B) An identification of cooperative projects that would address those capability gaps and mutually benefit and strengthen the security of the United States and Israel.

(C) An assessment of the projected cost for research and development efforts for such cooperative projects, including an identification of those to be conducted in the United States, and the timeline for the completion of each such project.
(D) An assessment of the extent to which the capability gaps of the United States identified pursuant to subparagraph (A) are not likely to be addressed through the cooperative projects identified pursuant to subparagraph (B).

(E) An assessment of the projected costs for procurement and fielding of any capabilities developed jointly pursuant to an agreement described in subsection (c).

(2) LIMITATION.—No activities may be conducted pursuant to an agreement described in subsection (c) until the date that is 15 days after the date on which the Secretary of Defense submits the report required under paragraph (1).

TITLE III—ENSURING ISRAEL’S QUALITATIVE MILITARY EDGE

SEC. 301. 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, com-
mand, 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.

Passed the Senate August 1, 2018.

Attest: JULIE E. ADAMS,
Secretary.