

U.S. Foreign Aid to Israel: Overview and Developments since October 7, 2023

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SUMMARY

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U.S. Foreign Aid to Israel: Overview and Developments since October 7, 2023

Israel is the largest cumulative recipient of U.S. foreign assistance since World War II. Successive Administrations, working with Congress, have provided Israel with assistance reflective of robust domestic U.S. support for Israel and its security; shared strategic goals in the Middle East; and historical ties dating from U.S. support for the creation of Israel in 1948. To date, the United States has provided Israel \$174 billion (current, or non-inflation-adjusted, dollars) in bilateral assistance and missile defense funding.

Over the last two decades, including during Israel's ongoing conflict with Hamas, American public attitudes toward Israel as expressed in public-opinion polling have shifted somewhat when compared to previous eras. Though lawmakers continue to vote in favor of U.S. assistance to Israel, there have been calls from some political and ideological groups to reevaluate the long-standing U.S.-Israeli assistance relationship.

In 2016, the U.S. and Israeli governments signed their third 10-year Memorandum of Understanding (MOU) on military aid, covering FY2019 to FY2028. Under the terms of the MOU, the United States pledged to provide—subject to congressional appropriation—\$38 billion in military aid (\$33 billion in Foreign Military Financing (FMF) grants plus \$5 billion in missile defense appropriations) to Israel. While negotiations over the next MOU have yet to start, U.S. and Israeli experts and government officials have already started to formulate proposals to shape future U.S.-Israeli military cooperation.

Since the Hamas-led attacks of October 7, 2023 and Israel's subsequent conflicts in Gaza, Lebanon, and Iran, Congress has provided emergency supplemental military assistance to Israel and appropriated funding beyond the annual MOU terms for joint U.S.-Israeli missile defense programs. In April 2024, Congress passed P.L. 118-50 (Making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes). That act included, among other things, \$3.5 billion in FMF for Israel. The act also included \$5.2 billion in defense appropriations for missile defense (\$4 billion) and Israel's new laser defense system, Iron Beam (\$1.2 billion).

P.L. 119-4, the Full-Year Continuing Appropriations and Extensions Act, 2025, provides FMF to Israel at the FY2024 base level (\$3.3 billion). The act also contains several Israel-specific provisions or anomalies, such as: Section 11206(1) specifies FY2025 FMF for Off-Shore Procurement for Israel (per the terms of the MOU) at \$450.3 million; Section 11208(c) reauthorizes loan guarantees to Israel through 2030; and Section 11208(d) reauthorizes annual monetary caps for U.S. additions to the War Reserve Stockpile for Allies program, including the stockpile in Israel, through FY2027 (at \$500 million per year). P.L. 119-4 did not include an accompanying explanatory statement specifying defense funding allocations at the line-item level. Section 1422 of the Act required the Department of Defense, after consulting the Defense Appropriations subcommittees, to submit within 45 days "a spending, expenditure, or operating plan" for FY2025 at the same level of detail required for a department report known as Base for Reprogramming Actions. In spring 2025, the Department of Defense released the Base for Reprogramming Actions report, which contained, among other things, \$500 million in missile defense for Israel, \$47.5 million for the U.S.-Israeli anti-tunneling program, \$55 million for the U.S.-Israeli counter-unmanned aerial systems program, and \$20 million for "emerging technologies" cooperation.

In the 119th Congress, lawmakers have proposed The United States-Israel Defense Partnership Act of 2025 (H.R. 1229 & S. 554), which would, among other things, authorize additional defense funding for U.S.-Israeli counter-unmanned aerial systems cooperation and anti-tunnel cooperation, and would mandate that the Secretary of Defense engage the "Minister of Defense of Israel in a discussion of the process of the ascension of Israel into the national technology and industrial base (as defined in Section 4801 of Title 10, United States Code)." In the Senate, Senator Bernie Sanders has proposed multiple resolutions disapproving various U.S. arms sales to Israel. As of May 2025, the Senate has voted against discharging the Senate Foreign Relations Committee from further consideration of two resolutions (S.J.Res. 26 and S.J.Res. 33) by votes of 15-83 and 15-82, respectively.

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Introduction

This report provides an overview of U.S. foreign assistance to Israel. It includes a review of past aid programs, data on annual assistance, and analysis of current issues, including a description of key events since the October 7, 2023 Hamas-led attacks against Israel and the ensuing conflicts in Gaza and beyond. The information and foreign aid data in this report are compiled by the Congressional Research Service from a number of resources, including CRS communications with various U.S. government agencies, Foreignassistance.gov, and annual State Department Congressional Budget Justifications. For terminology and abbreviations used in this report, see Appendix A. For general information on Israel, see *Israel: Background and U.S. Relations in Brief*, by Jim Zanotti.

Background and Recent Trends

For over half a century, the United States and Israel have maintained strong bilateral ties, based on a number of factors, including robust domestic U.S. support for Israel and its security; shared strategic goals in the Middle East; an avowed mutual commitment to democratic values; and historical ties dating from U.S. support for the creation of the state of Israel in 1948. U.S. foreign aid has been a major component in cementing and reinforcing these ties. U.S. officials and many lawmakers have long considered Israel to be a vital partner in the region, and U.S. aid packages for Israel have reflected this calculation. Some U.S. citizens have worked to cultivate U.S. support for Israel since its creation in 1948. Since the 1973 Yom Kippur War, advocates for Israel have engaged in organized, broad-based domestic efforts to foster bipartisan support in Congress for the bilateral relationship, including for U.S. aid to Israel.

Table 1. Total U.S. Foreign Aid Obligations to Israel: 1946-2025

current, or non-inflation-adjusted, U.S. dollars in millions

Fiscal Year	Military	Economic	Missile Defense	Total
1946-2020	104,506.200	34,347.500	7,411.409	146,265.110
2021	3,300.000	-	500.000	3,800.000
2022	3,300.000	-	1,500.000	4,800.000
2023	3,300.000	-	500.000	3,800.000
2024	6,800.000	-	5,700.000	12,500.000
2025	3,300.000	-	500.000	3,800.000
Total	124,506.200	34,347.500	16,111.409	174,965.110

Sources: U.S. Overseas Loans and Grants (Greenbook), Foreign Assistance.gov, the U.S. State Department, and the Missile Defense Agency.

Notes: The Greenbook figures do not include missile defense funding provided by the Department of Defense. According to State Department/USAID Data Services as of January 2025, in constant 2024 U.S. dollars (inflation-adjusted), total U.S. aid to Israel obligated from 1946-2024 is an estimated \$298 billion.

Over the past few years, some Members of Congress have become more openly critical¹ of U.S. military aid to Israel and have focused more on issues of Palestinian human rights.² This trend has accelerated since the Hamas-led attacks of October 7, 2023 and the ensuing war in Gaza, with its associated humanitarian crisis.³ At the same time, many other Members of Congress have continued to voice support of continued U.S. support for Israel.⁴ Congressional majorities have continued to vote consistently in favor of U.S. military aid to Israel through the appropriations process,⁵ though some Members have expressed opposition to unconditional U.S. security assistance by, for example, more frequently voting for resolutions of disapproval aimed at halting certain U.S. arms sales to Israel (see below).⁶

U.S. Military Aid Policy to Israel During Wartime: 2023-2025

Israel and Hamas's ongoing war in Gaza following the Hamas-led attacks of October 7, 2023 will likely be a subject of contested scholarly research for decades within the larger ambit of the Israeli-Palestinian conflict. One possible subtopic may be how U.S. officials and lawmakers treated U.S. military aid to Israel during the war. In contrast to routinely publishing U.S. security cooperation "fact sheets" that summarized assistance for Ukraine in its war with Russia, the Department of State's Bureau of Political-Military Affairs under the Biden Administration did not publish a summary regarding conflict-related assistance for Israel until January 20, 2025. The following is a narrative description based on open sources of important events that have

¹ The issue of what constitutes legitimate criticism of Israel (or U.S. policy toward Israel) and its actions toward the Palestinians, and what qualifies as the de-legitimization of Israel or even anti-Semitism, is legally and politically contested. The U.S. Department of State's working definition of anti-Semitism is drawn from the "non-legally binding working definition" adopted by the International Holocaust Remembrance Alliance (IHRA) in 2016. According to the IHRA, contemporary examples of anti-Semitism include, among other things, "Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavor," and "Holding Jews collectively responsible for actions of the state of Israel." See, International Holocaust Remembrance Alliance, "IHRA non-legally binding working definition of antisemitism," May 26, 2016. In the 118th Congress, H.R. 6090, the Antisemitism Awareness Act of 2023 (passed by the House 390-21 and received in the Senate), would have adopted the IHRA's definition of anti-Semitism for the purposes of the act. Some lawmakers who voted against the bill claimed that it would suppress "valid criticism of the state of Israel." See, Representative Jerry Nadler, "I'm Jewish. Here's why I voted against the Antisemitism Awareness Act." Washington Post, May 8, 2024.

² Jonathan Weisman, "Democratic Primaries Are Embroiled in Debate Over Support for Israel," *New York Times*, July 15, 2022; Alex Kane, "The New Debate Over Aid to Israel," *Jewish Currents*, August 8, 2023; and Ross Barkan, "How Oct. 7 Drove a Wedge into the Democratic Party," *New York Times*, February 7, 2024.

³ Kayla Guo, "Liberal Democrats Urge 'No' Vote on Israel Aid to Pressure Biden on Gaza," *New York Times*, April 19, 2024 and Senator Bernie Sanders, "Sen. Bernie Sanders Has Become a Leading Critic of Israel's War in Gaza," May 29, 2024.

⁴ House Majority Leader Steve Scalise, "Scalise's End-of-Congress Recap: House Republicans Delivered Wins Despite Slim Majority," December 22, 2024 and Michelle Boorstein, "Huckabee pick as Israel ambassador reflects long evangelical alliance," *Washington Post*, December 2, 2024.

⁵ See CRS Report R48289, Fact Sheet: Congressional Votes Relating to the Israel-Hamas Conflict.

⁶ Representative Pramila Jayapal, "Jayapal Introduces Legislation to Block Offensive Weapons Sales to Israel," March 31, 2025.

⁷ For example, see U.S. Department of State, "U.S. Security Cooperation with Ukraine, Fact Sheet," May 10, 2024.

⁸ U.S. Department of State, "U.S. Security Cooperation with Israel," October 19, 2023; "U.S. Security Cooperation with Israel: Fact Sheet," January 20, 2025.

transpired throughout the war pertaining to U.S. assistance to Israel within the Biden and Trump Administrations and Congress.⁹

President Biden's Immediate Response

In the immediate aftermath of the Hamas-led October 7, 2023 attacks against Israel, President Joe Biden announced that his Administration would surge "additional military assistance, including ammunition and interceptors to replenish Iron Dome" so that "Israel does not run out of these critical assets to defend its cities and its citizens." President Biden's order resulted in hundreds of aircraft deliveries and sea shipments to Israel of tens of thousands of tons of munitions and weapons systems. When U.S. resupply operations began in October 2023, President Biden emphasized "the critical need for Israel to operate by the laws of war. That means protecting civilians in combat as best as they can." In an October 2023 Oval Office speech, President Biden announced an emergency supplemental budget request to support U.S. partners, including Ukraine and Israel; the President sought over \$14 billion in Israel-related funding.

The United States "Leases" Its Own Iron Dome Batteries Back to Israel

After receiving two bipartisan congressional letters¹⁴ calling on the Biden Administration to provide Israel with two Iron Dome batteries previously purchased by the U.S. Army, the Administration announced on October 24, 2023 that it would transfer the batteries to Israel; the Pentagon did not publicly indicate the terms and legal authorities underpinning the planned transfer.¹⁵ According to one U.S. defense official, the Iron Dome agreement was conducted as a "cost to lease under an FMS [foreign military sales] case: [It] was the

Figure 1. U.S. Military Equipment Arrives in Israel

December 2023



Source: Israeli Ministry of Defense.

⁹ For additional background, see CRS Report R47754, *Israel and Hamas October 2023 Conflict: Frequently Asked Questions (FAQs)* and CRS Report R47828, *Israel and Hamas Conflict In Brief: Overview, U.S. Policy, and Options for Congress*.

¹⁰ The White House, "Remarks by President Biden on the Terrorist Attacks in Israel," October 10, 2023.

¹¹ Yonah Jeremy Bob, "US sends 500th aircraft to Israel as airlifts of weapons, equipment continue," *Jerusalem Post*, August 26, 2024.

¹² The White House, "Remarks by President Biden on the United States' Response to Hamas's Terrorist Attacks Against Israel and Russia's Ongoing Brutal War Against Ukraine," October 20, 2024.

¹³ The White House, "FACT SHEET: White House Calls on Congress to Advance Critical National Security Priorities," October 20, 2023.

¹⁴ See, Senator Jacky Rosen, "Rosen Leads Bipartisan Group of Senate Armed Services Committee Members in Requesting Additional Iron Dome Batteries for Israel," October 11, 2023; and Representative Brian Mast, "Mast, Moskowitz, Bipartisan Coalition Urge DoD to Send Additional Iron Dome System to Israel," October 16, 2023.

¹⁵ Noah Robertson, Bryant Harris, and Jen Judson, "US agrees to send two Iron Dome batteries to Israel," *Defense News*, October 24, 2023.

fastest way to get Israel the Iron Dome batteries and the missiles."16

Early Congressional Attempts to Condition Aid

Several months into the war, as Palestinian civilian casualties mounted, some Members of Congress began to call for conditioning aid to Israel. In December 2023, Senator Bernie Sanders introduced S.Res. 504, a privileged resolution, which would have mandated that the State Department provide Congress with information on Israel's human rights practices within 30 days of passage, pursuant to Section 502B(c) of the Foreign Assistance Act of 1961. After receiving any such report, Congress, by joint resolution, may act to terminate, restrict, or continue security assistance to Israel. On January 16, 2024, the Senate voted 72-11 to table a motion to discharge the Senate Foreign Relations Committee from further consideration of S.Res. 504.¹⁷ In addition, Senator Chris Van Hollen introduced an amendment to a Senate supplemental appropriations bill (S.Amdt. 1389 to H.R. 815) which would have, prior to the disbursement of defense articles to a recipient of U.S. security assistance, required the President to obtain assurances that "the recipient country will cooperate fully with any United States efforts and United States-supported international efforts to provide humanitarian assistance to civilians in an area of conflict where United States defense articles or defense services are being used by the recipient."

Biden Administration uses Emergency Authorities for Arms Sales to Israel

For the first six months of the war, most U.S. Foreign Military Sales (FMS) and Direct Commercial Sales (DCS) to Israel were previously approved for delivery and accelerated, taken from the U.S. stockpile in Israel (known as War Reserve Stocks for Allies-Israel, or WRSA-I), and/or were not notified to Congress because their dollar value fell below the prior notice threshold for transfers to Israel. Between October and December 2023, there were two FMS cases notified to Congress under emergency circumstances that therefore bypassed congressional review. 19

Biden Administration's National Security Memorandum 20

Amidst continued international scrutiny of Israel's conduct during the war, the Biden Administration took additional steps aimed at promoting adherence to international law and accountability for U.S. arms deliveries to Israel. In February 2024, President Biden issued NSM-20, a National Security Memorandum (an executive branch policy document, not standing U.S. law) requiring that prior to the transfer of any U.S. defense article, the Departments of State and Defense must obtain "credible and reliable" written assurances from the recipient country that it will use any such defense articles in accordance with international humanitarian law and, as applicable, other international law. It also required that in any area where such defense articles are used, the "recipient country will facilitate and not arbitrarily deny, restrict, or otherwise impede

¹⁶ Ashley Roque, "Army's Iron Dome batteries on 11-month lease with Israel, which could be extended," *Breaking Defense*. November 7, 2023.

 $^{^{17}}$ Roll Call Vote 118^{th} Cong. - 2^{nd} sess., available at https://www.congress.gov/bill/118th-congress/senate-resolution/504/actions?s=1&r=1&q=%7B%22search%22%3A%22s.res.504%22%7D.

¹⁸ See, Jared Malsin and Nancy A. Youssef, "How the U.S. Arms Pipeline to Israel Avoids Public Disclosure," *Wall Street Journal*, March 6, 2024.

¹⁹ Defense Security Cooperation Agency, "Israel—M830a1 120mm Tank Cartridges," December 9, 2023, and "Israel—155mm Artillery Ammunition," December 29, 2023.

the transport or delivery" of humanitarian assistance.²⁰ NSM-20 also required the Secretaries of State and Defense to assess for Congress whether U.S. defense articles have been used after the memorandum's issuance in a manner not consistent with international law. In March, Israel provided its recipient country assurances to the United States.

Following the issuance of NSM-20, there was continued scrutiny from some lawmakers,²¹ in the context of additional reports of U.S. munitions used in airstrikes which resulted in civilian casualties of Palestinians and others,²² and Israel's errant April 1, 2024 targeting of World Central Kitchen aid workers. That month, President Biden reportedly toughened his calls for increased humanitarian access and protection of aid workers.²³ During his April 4 phone call with Prime Minister Netanyahu, according to the White House readout, President Biden "made clear that U.S. policy with respect to Gaza will be determined by our assessment of Israel's immediate action" on steps to address civilian harm, humanitarian suffering, and the safety of aid workers.²⁴ Some analysts assessed that President Biden had implicitly threatened "to slow U.S. arms transfers to Israel or to temper U.S. support at the U.N." if Israel did not take certain steps.²⁵

In May 2024, the Biden Administration released its report to Congress under Section 2 of NSM-20, concluding (according to a document released online by an advocacy group stating that it is a copy of that report) that "given Israel's significant reliance on U.S.-made defense articles, it is reasonable to assess that defense articles covered under NSM-20 have been used by Israeli security forces since October 7 in instances inconsistent with its IHL [International Humanitarian Law] obligations or with established best practices for mitigating civilian harm." Despite the concerns raised, the report, as it appeared online, assessed Israel's March assurances (along with those of the other countries covered in the report) to be "credible and reliable so as to allow the provision of defense articles covered under NSM-20 to continue."

Congress Passes Supplemental Appropriations for Israel

Between 2023 and 2024, Congress considered and passed multiple versions of supplemental legislation amidst a broader public debate over conditioning aid and restricting U.S. arms sales to Israel, in the context of continued reports of some Israeli air strikes resulting in civilian casualties as well as a deteriorating humanitarian situation in Gaza.²⁷ In March 2024, Congress also passed P.L. 118-47, the Further Consolidated Appropriations Act, 2024, which includes \$3.3 billion in FMF for Israel and \$500 million in missile defense funding, per the terms of the MOU.

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²⁰ The White House, "National Security Memorandum on Safeguards and Accountability with Respect to Transferred Defense Articles and Defense Services," February 8, 2024. Section 620I of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2378-1) says that "[n]o assistance shall be furnished under this chapter or the Arms Export Control Act [22 U.S.C. 2751 et seq.] to any country when it is made known to the President that the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance."

²¹ Senator Chris Van Hollen, "Van Hollen, Schatz, Colleagues Press Administration on Concerns with New Arms Sales to Netanyahu Government, Request Assurances Prior to Proceeding," February 23, 2024.

²² Stephen Semler, "Gaza breakdown: 20 times Israel used US arms in likely war crimes," *Responsible Statecraft*, Quincy Institute for Responsible Statecraft, August 25, 2024.

²³ Yasmeen Abutaleb, "Biden cease-fire push falters again after new demand by Hamas," *Washington Post*, September 7, 2024.

²⁴ The White House, "Readout of President Joe Biden's Call with Prime Minister Netanyahu of Israel," April 4, 2024.

²⁵ "Biden ultimatum to Netanyahu: protect Gaza civilians, or else," Reuters, April 5, 2024.

²⁶ Just Security, "State Department Submits Key Report to Congress on Israel's Use of US Weapons," May 10, 2024.

²⁷ See CRS Report R48289, Fact Sheet: Congressional Votes Relating to the Israel-Hamas Conflict.

On April 13, 2024 Iran initiated the first-ever direct military action against Israel from Iranian territory in the form of aerial attacks (drones and ballistic and cruise missiles). Iran stated that the attacks were in retaliation for an April 1 strike reportedly by Israel against a building within the Iranian embassy compound in Damascus, Syria. Eleven days after Iran's direct attack on Israel, and four days after an apparent Israeli strike in Iran that may have been sufficiently narrow in scope to avoid additional immediate escalation, Congress passed P.L. 118-50 (Making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes). That act included, among other things (see **Table 2**), \$3.5 billion in FMF for Israel²⁸ (\$769.3 million or more of which may be spent on Israeli equipment) to remain available through FY2025.²⁹ The act also included \$5.2 billion in defense appropriations for missile defense (\$4 billion) and Israel's new laser defense system, Iron Beam (\$1.2 billion)—the first dedicated U.S. funding for this system.³⁰

Table 2. U.S. Foreign Aid to Israel During the Gaza War

(in millions of current U.S. dollars)

Law	Foreign Military Financing	Missile Defense	Missile Defense - Iron Beam	Other
P.L. 118-50, Division A—Israel Security Supplemental Appropriations Act, 2024	\$3,500.00	\$4,000.00	\$1,200.00	n/a
P.L. 118-47, Further Consolidated Appropriations Act, 2024	\$3,300.00	\$500.00	n/a	\$95.50
P.L. 118-42, Consolidated Appropriations Act, 2024	n/a	n/a	n/a	\$13.00
Total	\$6,800.00	\$4,500.00	\$1,200.00	\$108.50

Source: congress.gov.

Notes: The "Other" column includes Department of Defense appropriations for counter-tunnel and counter-drone programs, U.S. contributions to binational foundations, and support for migrants.

Biden Administration Reviews Sales of Aerial Munitions to Israel

In spring 2024, as Israel prepared for a ground offensive in southern Gaza (Rafah), U.S. officials pressed Israel not to proceed with an offensive in Rafah without clearly planning for civilian safety and welfare.³¹ Some lawmakers also warned against an Israeli military operation in Rafah, saying that they would vote to condition aid to Israel if such an operation ensued without making

²⁸ Unlike regular FMF appropriations for Israel, which Congress annually mandates be apportioned within 30 days of passage, the FY2024 supplemental FMF for Israel was treated like all other global FMF allocations. The Office of Management and Budget (OMB) notified the relevant congressional committees of the Administration's intent to obligate FMF for Israel (August 2024); when that notification cleared, it apportioned the funds. See, "US releases \$3.5 billion to Israel to spend on US weapons, military equipment," Reuters, August 9, 2025.

²⁹ The Biden Administration notified Congress of its intent to obligate the \$3.5 billion in FMF in August 2024. See, "US releases \$3.5 billion to Israel to spend on US weapons, military equipment," Reuters, August 9, 2024.

³⁰ In January 2025, sources noted that Israel had used \$5.2 billion in supplemental appropriations to reach a contract with Rafael Advanced Defense Systems to fund procurement of Iron Dome, David's Sling, and Iron Beam components and systems. See, Lara Korte, "US aid package funds \$5.2 billion deal to bolster Israeli air defenses," *Stars & Stripes*, January 16, 2025.

³¹ U.S. Department of State, "Department of State Press Briefing," March 25, 2024.

provisions for the safety and welfare of Gaza's civilian population.³² In early May, as Israeli forces approached Rafah, President Biden said in a *CNN* interview that "I have made it clear to Bibi [Netanyahu] and the war cabinet they're not going to get our support [weapons and artillery shells] if, in fact, they're going into these population centers."³³

After Israel launched major ground operations in Rafah, U.S. officials confirmed reports that the Biden Administration was "reviewing some near-term security assistance" for Israel and had paused a shipment of 2,000-pound and 500-pound bombs, based on concern about their potential use in Rafah.³⁴ Though the Administration later released the shipment of 500-pound bombs,³⁵ it continued to review the 2,000-pound bomb shipment until President Biden's term ended.

International Restrictions on Arms Sales to/from Israel

Along with the Biden Administration's withholding of bomb shipments, other nations also suspended or reduced some of their arms exports to Israel during the war. Over the past decade, the United States and Germany have been Israel's main weapons suppliers (see **Figure 2**). Actions to either limit some exports to, or imports from, Israel, have come from countries such as: Britain,³⁶ Belgium, Canada, Columbia,³⁷ Germany,³⁸ Italy,³⁹ the Netherlands,⁴⁰ and Spain.⁴¹ In October 2024, French President Emmanuel Macron called on the international community to cease supplying Israel with weapons that could be used in either Gaza or Lebanon.⁴²

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³² "Senior Democrat backs conditioning Israel aid if Rafah op launched sans provisions to protect civilians," *Times of Israel*, April 4, 2024.

³³ "Erin Burnett Outfront: One-On-One with the President of the United States," CNN, May 8, 2024.

³⁴ U.S. Department of Defense, "Pentagon Press Secretary Air Force Maj. Gen. Pat Ryder Holds a Press Briefing," May 9, 2024.

³⁵ Nancy A. Youssef and Jared Malsin, "U.S. Agrees to Ship 500-Pound Bombs," Wall Street Journal, July 11, 2024.

³⁶ Oliver Holmes, "Which countries have banned or restricted arms sales to Israel?" *The Guardian* (UK), September 3, 2024.

³⁷ Astrid Suarez, "Colombia breaks diplomatic ties with Israel but its military relies on key Israeli-built equipment," Associated Press, May 3, 2024.

³⁸ "Germany has stopped approving war weapons exports to Israel, source says," Reuters, September 19, 2024. Some sources have claimed that contrary to reports of German restrictions on certain exports to Israel, overall, German defense exports to Israel actually increased in 2024. See, "German arms exports to Israel up sharply," *Globes* (Israel), October 28, 2024.

³⁹ "Italy arms exports to Israel continued despite block, minister says," Reuters, March 24, 2024.

⁴⁰ "FACTBOX-Who are Israel's main weapons suppliers and who has halted exports?" Reuters, May 10, 2024.

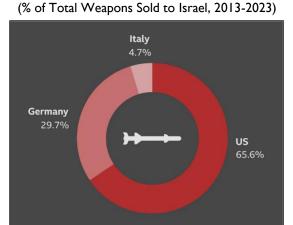
⁴¹ "Spain cancels purchase of police ammunition from Israeli firm," Reuters, October 29, 2024; and "Maersk container ship denied docking at Spanish port over arms to Israel," Agence France Presse, November 9, 2024.

⁴² "Macron calls to halt arms deliveries to Israel in Gaza war," BBC News, October 5, 2024.

Congressional Opposition to Biden's "Arms Embargo"

While some Members of Congress continued to support the application of U.S. laws that would restrict U.S. aid to recipient countries in various circumstances, 43 other Members rejected calls for conditioning U.S. aid to Israel and criticized the Administration for pressuring the Israeli government amid ongoing hostilities against foreign terrorist organizations such as Hamas and Hezbollah.44 On April 9, 2024, H.Res. 1117 was introduced in the House. Among other things, it opposed "efforts to place one-sided pressure on Israel with respect to Gaza." On May 16, 2024, the House passed (224-187) H.R. 8369, the Israel Security Assistance Support Act, which, among other things, would have prohibited

Figure 2. Who Supplies Arms to Israel?



Source: Stockholm International Peace Research Institute, estimated volume of major arms transfers, 2013-2023.

FY2024 or earlier funds from being used to withhold defense items/services to Israel. Some lawmakers accused the Administration of not only publicly withholding the shipment of 2,000-pound bombs, but also conducting an "arms embargo" against Israel by delaying consideration of other U.S. sales. ⁴⁵ The Biden Administration claimed that by mid-2024, it could no longer bypass Congress in approving weapons sales, and seeking congressional approval appeared to contribute to making the process of clearing FMS and DCS cases longer than in the early months of the war. ⁴⁶

Biden Administration and Key Members of Congress Approve F-15 Sale

In summer 2024, after Israel launched a military operation in Rafah that then-Secretary Blinken argued reflected restraint as compared to its original plans,⁴⁷ Netanyahu criticized the Administration publicly for withholding weapons.⁴⁸ Both Israel and Hamas then resisted various ceasefire proposals, and the Administration accelerated efforts to finalize a series of major arms sales to Israel, including for F-15 fighter aircraft.⁴⁹ In June, the foreign affairs committee leaders in the House and Senate, after a period of consideration, signed off on this major package of FMS

⁴³ Senator Peter Welch, "Welch Leads Colleagues Calling for Consistent Application of Leahy Law to the IDF," May 7, 2024; and Representative Jason Crow, "Reps. Crow, Deluzio Lead 86 Members in Letter Urging Biden to Enforce U.S. Law & Policy Regarding US Humanitarian Aid to Gaza," May 3, 2024.

 $^{^{44}}$ Speaker Mike Johnson (@SpeakerJohnson), "The President's ultimatums should be going to Hamas, not Israel," X post, April 4, 2024, https://twitter.com/SpeakerJohnson/status/1776046097086972393.

⁴⁵ Senator Tim Scott, "Scott, Cotton, 46 Senate GOP Colleagues to Biden-Harris Admin: Delaying Weapons to Israel Undermines Our Ally, Accommodates Iran," August 2, 2024.

⁴⁶ David Horowitz, "The ambassador's farewell warning: You can't ignore the impact of this war on future US policymakers," *Times of Israel*, January 12, 2025.

⁴⁷ Lulu Garcia-Navarro, "The Interview: Antony Blinken Insists He and Biden Made the Right Calls," *New York Times*, January 4, 2025.

⁴⁸ Julia Frankel and Drew Callister "Israel's Netanyahu blames Biden for withholding weapons. US officials say that's not the whole story," Associated Press, June 18, 2024.

⁴⁹ John Hudson, "Key Democrats approve major arms sale to Israel, including F-15s," Washington Post, June 17, 2024.

sales to Israel.⁵⁰ In August 2024, during a congressional recess, the Administration formally notified Congress of five potential FMS to Israel for over \$20 billion total, including up to 50 new F-15IA fighter aircraft and F-15 upgrades for \$18.82 billion.⁵¹

On September 25, 2024, Senator Bernie Sanders introduced six joint resolutions of disapproval, or JRDs (S.J.Res. 111, S.J.Res. 112, S.J.Res. 113, S.J.Res. 114, S.J.Res. 115, and S.J.Res. 116). Five of these JRDs corresponded to the five FMS sales mentioned above;⁵² a sixth resolution corresponded to a Direct Commercial Sale (DCS) to Israel of Joint Direct Attack Munitions, or JDAMs.⁵³ On November 6, 2024, the Israel Ministry of Defense and Boeing signed a procurement contract in which Israel will acquire 25 advanced F-15IA fighter jets over a number of years for more than \$5 billion.

Biden Administration Warning to Israel over Gaza Humanitarian Aid

On October 13, 2024, senior U.S. officials sent a letter to their Israeli counterparts, which the State Department reportedly described as a "private diplomatic communication."⁵⁴ The letter stated that "Israel must, starting now and within 30 days," act on several "concrete measures" visavis Gaza, such as enabling a surge of humanitarian aid into Gaza. The letter stated that "[f]ailure to demonstrate a sustained commitment to implementing and maintaining these measures may have implications for U.S. policy" under existing law. After the 30-day period, the Department of State said that it had not made an assessment that the Israelis are in violation of U.S. law, and that it would continue monitoring Israeli actions and assessing their compliance with U.S. law.⁵⁵

Senate Considers Resolutions of Disapproval

On November 20, 2024, the Senate failed to discharge the Senate Foreign Relations Committee from further consideration of three JRDs (S.J.Res. 111, S.J.Res. 113, and S.J.Res. 115), pertaining to proposed sales of guided and unguided munitions.⁵⁶ In each of the three instances, at least 17 Senators voted in favor of discharging the committee, with 19 voting for discharging the committee from further consideration of S.J.Res. 113 (pertaining to a proposed sale of mortar cartridges) and 78 opposing.

Biden Administration Pre-Notifies Congress of Major Sales to Israel

In late November 2024, the Administration approved and pre-notified (an informal step generally taken before providing formal notification under the Arms Export Control Act) the foreign relations committees of a possible \$680 million package of Joint Direct Attack Munitions (JDAMs) kits and small diameter bombs to Israel.⁵⁷ In early January 2025, media reports indicated that the Administration had notified Congress of several additional possible munitions

⁵⁰ Robert Jimison, "After Delay, Top Democrats in Congress Sign Off on Sale of F-15 Jets to Israel," *New York Times*, June 17, 2024.

⁵¹ See https://www.dsca.mil/tags/israel.

⁵² Senators Peter Welch, Jeff Merkley, and Brian Schatz each cosponsored one or more of the JRDs.

⁵³ Senator Bernie Sanders, "Sanders and Colleagues Move to Block Arms Sales to Israel," September 25, 2024.

⁵⁴ X, Barak Ravid, October 15, 2024, 9:33am, at https://x.com/BarakRavid/status/1846182689222664471.

⁵⁵ U.S. Department of State, "Press Briefing," November 12, 2024.

⁵⁶ See CRS Report R48289, *Fact Sheet: Congressional Votes Relating to the Israel-Hamas Conflict*, by Travis A. Ferrell and Clayton M. Levy.

⁵⁷ Felicia Schwartz, "US to approve \$680mn arms sale to Israel," Financial Times, November 27, 2024.

sales totaling \$8 billion, including guidance kits for MK-84 2,000-pound bombs and MK-82 500-pound bombs, BLU-109 bunker buster bombs, AMRAAM and Hellfire missiles, and 155mm artillery rounds. At least \$6.75 billion would fund two different kinds of precision kits—one for small diameter bombs, and one for 2,000-pound bombs—unnamed officials said.⁵⁸

Israel Opts to Produce More Armaments Domestically

In January 2025, Israel's Ministry of Defense signed contracts with Israeli firms to produce some munitions previously purchased from outside suppliers, including the United States. According to one Israeli defense analyst, "Israel has refrained, until recently, in producing certain munitions primarily because of profit considerations.... It is cheaper to buy them with the money allocated to Israel by the U.S." Some reports suggested that by fall 2024, some of Israel's munitions supplies had become low, particularly missile defense interceptors. 60

President Trump Releases Bomb Shipment and Exempts Israel from Aid Freeze

In late January 2025, President Trump announced that he had released a Biden Administration hold on the delivery of 1,800 MK-84, 2,000-pound bombs destined for Israel.⁶¹ At the same time, the State Department issued guidance regarding the execution of an Executive Order freezing all U.S. foreign aid; the guidance exempted U.S. foreign aid to Israel and Egypt from the freeze (along with life-saving global humanitarian food aid).⁶²

Trump Administration Bypasses House Foreign Affairs Committee Review and Notifies Congress of over \$8 billion in Arms Sales to Israel

On February 7, 2025, the Trump Administration officially notified Congress of four FMS/DCS sales to Israel totaling \$8.4 billion, of which one case totaled \$6.75 billion for precision-guided and un-guided munitions and guidance conversion kits – the largest single munitions sale to Israel since 2015.⁶³ According to one analysis, Israel's request for large numbers of guidance kits, but not certain guided bombs, may indicate its willingness to produce certain munitions domestically.⁶⁴ Reportedly, as previously mentioned, the Biden Administration had already approved the sales⁶⁵ and pre-notified these cases to the foreign affairs committees in each chamber; after the presidential transition, although (according to the *New York Times*) the Ranking Member on the House Foreign Affairs Committee had not cleared the sales, the Trump

⁵⁸ Jared Malsin, Nancy A. Youssef, and Carrie Keller-Lynn, "U.S. Plans Big Arms Sale to Israel—Administration tells Congress \$8 billion package will include bombs, missiles," *Wall Street Journal*, January 6, 2025.

⁵⁹ Adam Taylor, "Israel moves to make heavy bombs, but U.S. reliance hard to shake, experts say," *Washington Post*, January 12, 2025.

⁶⁰ Ha'aretz and Yaniv Kubovich, "Report: Israel Is Facing a 'Serious' Shortage of Interceptor Missiles," Ha'aretz, October 15, 2024.

⁶¹ "Trump makes 2,000-pound bombs available to Israel, undoing Biden pause," Reuters, January 26, 2025.

⁶² Edward Wong, "Sweeping Halt to Foreign Aid Does Not Apply to Arms for Israel and Egypt," New York Times, January 25, 2025.

⁶³ Defense Security Cooperation Agency, "Israel – Munitions, Guidance Kits, Fuzes, and Munitions Support," Transmittal No. 24-13, February 7, 2025.

⁶⁴ Jeremy Binnie, "US approves air-launched munitions for Israel," Jane's Defence Weekly, February 10, 2025.

⁶⁵ Felicia Schwartz, "US to approve \$680mn arms sale to Israel," Financial Times, November 27, 2024.

Administration proceeded to formally notify Congress.⁶⁶ Clearance of U.S. arms sales cases by congressional committee leaders prior to official notification is a long established, normative process developed between the executive and legislative branches. It is not codified in law.

On February 20, Senator Sanders introduced JRDs corresponding to each sale.⁶⁷

Lawmakers Introduce the United States-Israel Defense Partnership Act of 2025

On February 12, 2025, a group of bipartisan House and Senate lawmakers introduced H.R. 1229 and S.554, respectively, the United States-Israel Defense Partnership Act of 2025. The bills would, among other things

- establish a new U.S.-Israeli counter-unmanned aerial systems program (CUAS) authorized at a funding level of \$150 million per year through FY2030;
- raise the funding cap on the existing U.S.-Israeli CUAS program from \$55 million annually to \$75 million annually through calendar year 2028;
- direct the Department of Defense to establish a Defense Innovation Unit office in Israel in order to collaborate with the private sector to counter Iran's dual-use defense technologies; and
- mandate that the Secretary of Defense engage the "Minister of Defense of Israel in a discussion of the process of the ascension of Israel into the national technology and industrial base (as defined in Section 4801 of Title 10, United States Code)."

Trump Administration Rescinds NSM-20

According to the Washington Post, on February 21, 2025 then-National Security Adviser Michael Waltz rescinded President Biden's NSM-20.68 While some lawmakers decried the move, 69 others welcomed it.70

Trump Administration Circumvents Congressional Review of Arms Sales to Israel

On February 28, 2025, the Trump Administration, citing Section 36(b) of the Arms Export Control Act (AECA),⁷¹ declared that an "emergency exists," that requires the sales to Israel of various weapons systems, such as general purposes bombs, JDAMs, and Caterpillar D9 bulldozers.⁷² In sum, the President issued an emergency declaration for four FMS cases to Israel, totaling nearly \$4 billion. Amongst these four cases, Israeli press reports had focused on the sale

⁶⁶ Edward Wong and Robert Jimison, "Trump Administration Moves to Send \$8 Billion in Arms to Israel, Bypassing Some Lawmakers," New York Times, February 8, 2025.

⁶⁷ Some of the JRDs were duplicative due to updates in filing. In sum, they included S.J.Res. 20, S.J.Res. 21, S.J.Res. 22, S.J.Res. 23, S.J.Res. 26, and S.J.Res. 27.

⁶⁸ Alex Horton, Missy Ryan, and Meg Kelly, "Trump repeals Biden directive linking U.S. arms transfers to human rights," Washington Post, February 25, 2025.

⁶⁹ Horton, et al., "Trump Repeals Biden Directive."

⁷⁰ For example, Senate Foreign Relation Committee, "Risch Statement on Trump NSM-20 Revocation," February 24, 2025.

⁷¹ See 22 *U.S. Code* §2776.

⁷² For example, see Defense Security Cooperation Agency, "Israel – Munitions and Munitions Support," Transmittal No. 25-34, February 28, 2025.

of D9 bulldozers. In late 2024, these items had been reported as awaiting export approval by the Biden Administration, alongside speculation that the Biden Administration may have delayed approval because of its apparent opposition to Israeli use of bulldozers to raze Palestinian homes. ⁷³ Israeli media noted that before leaving office, the Biden Administration had begun to issue export licenses for some of the D9s sought by Israel, possibly in part due to ceasefire agreements. ⁷⁴ One report noted that the ranking members of the foreign affairs committees in Congress had placed a hold on at least two of the four pre-notified cases, including the sale of bulldozers. ⁷⁵ Upon issuing the emergency declaration, Secretary of State Marco Rubio stated

I have signed a declaration to use emergency authorities to expedite the delivery of approximately \$4 billion in military assistance to Israel. The decision to reverse the Biden Administration's partial arms embargo, which wrongly withheld a number of weapons and ammunition from Israel, is yet another sign that Israel has no greater ally in the White House than President Trump. Since taking office, the Trump Administration has approved nearly \$12 billion in major FMS sales to Israel. This important decision coincides with President Trump's repeal of a Biden-era memorandum which had imposed baseless and politicized conditions on military assistance to Israel at a time when our close ally was fighting a war of survival on multiple fronts against Iran and terror proxies. The Trump Administration will continue to use all available tools to fulfill America's long-standing commitment to Israel's security, including means to counter security threats.⁷⁶

On March 10, Senator Sanders again issued new JRDs for the aforementioned four sales (S.J.Res.32, S.J.Res.33, S.J.Res.34, and S.J.Res.35).

Trump Administration Notifies Congress of Rifle Sales to the Israeli National Police

On March 6, 2025, the Trump Administration notified Congress that it was issuing export licenses for three DCS cases to Israel of various automatic rifles to the Israeli national police requested by Israel before the Hamas attacks of October 7, 2023.⁷⁷ Previously, during the Biden Administration, then-Secretary Blinken had not approved the export licenses, reportedly due to some congressional concern that the weapons could be used in the West Bank against Palestinians in "acts of unjustified violence" by Israeli forces or could fall into the hands of settler militias, according to the *New York Times*. Congressional notification of the issuing of the licenses corresponded with the visit of an ultra-nationalist member of the Netanyahu government, Finance Minister Bezalel Smotrich, to Washington, DC. On March 27, Senator Sanders again issued new JRDs for the aforementioned three sales (S.J.Res.40, S.J.Res.41, and S.J.Res.42).

⁷³ Yoav Zitun, "D9 bulldozer shipment stalled by US embargo, leaving Israeli soldiers exposed," *YnetNews.com*, November 10, 2024.

⁷⁴ Yehuda Shlezinger, "US partially lifts arms embargo on Israel ahead of ceasefire," *Israel Hayom*, January 19, 2025; and Danny Zaken, "Revealed: How US-Israel deal helped Netanyahu sign off on ceasefire," *Israel Hayom*, November 27, 2024.

⁷⁵ Laura Kelly, "Congress puts hold on Trump's \$1 billion arms sale to Israel," *The Hill*, February 4, 2025.

⁷⁶ U.S. Department of State, "Military Assistance to Israel," March 1, 2025.

⁷⁷ Michael Crowley and Edward Wong, "Gaza War Turns Spotlight on Long Pipeline of U.S. Weapons to Israel," *New York Times*, April 7, 2024.

⁷⁸ Edward Wong, "U.S. Considers Sending Israel 24,000 Assault Rifles Held Back Under Biden," *New York Times*, January 31, 2025.

Second Round of Senate Voting on JRDs since October 7

On April 3, 2025, the Senate voted against discharging the Senate Foreign Relations Committee from further consideration of two JRDs (S.J.Res.26 and S.J.Res.33) by votes of 15-83 and 15-82, respectively.

U.S. Arms Deliveries to Israel since October 2023

On May 27, 2025, the Israeli Defense Ministry reported that the United States had dispatched 800 transport planes and 140 ships to deliver more than 90,000 tons of armaments and military equipment to Israel since the start of the war in October 2023.⁷⁹

U.S. Aid and Israel's Advanced Military Technology

Almost all current U.S. aid to Israel is military assistance. ⁸⁰ U.S. military aid has helped transform Israel's armed forces into one of the most technologically sophisticated militaries in the world (see "Qualitative Military Edge (QME)"). U.S. military aid also has helped Israel build its domestic defense industry, which now ranks as one of the top global arms exporters. ⁸¹ Israeli defense companies, such as Israel Aerospace Industries (IAI), Rafael, and Elbit Systems, export nearly 70% of their products ⁸² and combined, those three companies account for 70% of all Israeli defense exports. ⁸³ Rather than producing large-scale hardware (combat aircraft, tanks), Israeli companies generally export advanced technological products (such as missile defense systems, unmanned aerial vehicles, cybersecurity products, radar, and electronic communications systems) to numerous customers globally. India (34%), the United States (13%), and the Philippines (8.1%) are Israel's largest defense export markets as of 2025. ⁸⁴

In 2024 and 2025, several reports have suggested that despite global criticism of Israel's wars in Gaza and Lebanon, foreign demand for Israeli defense products has surged (see **Figure 3**).⁸⁵ Recently, there have been several major Israeli exports of defense equipment, including

- 2023: Finland David's Sling Long Range Air Defense System (\$330 million);
- 2023: Germany Arrow 3 Missile Defense System (\$4.3 billion);

⁷⁹ Emanuel Fabian, "Israel marks 800th planeload of US guns, bombs and ammo as war nears day 600," *Times of Israel*, May 27, 2025.

⁸⁰ For many years, U.S. economic aid helped subsidize a lackluster Israeli economy, but since the rapid expansion of Israel's high-tech sector and overall economy in the 1990s (sparked partially by U.S.-Israeli scientific cooperation), Israel has become one of the world's most dynamic economies (as of 2025, according to the International Monetary Fund, Israel's Gross Domestic Product per capita ranks 21st worldwide). Israel and the United States agreed to gradually phase out economic grant aid to Israel. In FY2008, Israel stopped receiving bilateral Economic Support Fund (ESF) grants. The country had been a large-scale recipient of grant ESF assistance since 1971.

⁸¹ According to the Stockholm International Peace Research Institute (SIPRI), from 2020 to 2024, Israel was the 8th largest arms exporter worldwide, accounting for 3.1% of world deliveries. See "Trends in International Arms Transfers, 2024," SIPRI Fact Sheet, March 2025.

⁸² Sasson Hadad, Tomer Fadlon, and Shmuel Even (editors), "Israel's Defense Industry and US Security Aid," INSS, Memorandum No. 202, July 2020.

⁸³ Dov Lieber, "Defense Industry Is Booming in Israel—Regional war, quest for aerial-defense systems fuel a surge despite embargoes," *Wall Street Journal*, January 9, 2025.

⁸⁴ See Zain Hussain and Dr Alaa Tartir, "Recent trends in international arms transfers in the Middle East and North Africa," Stockholm International Peace Research Institute (SIPRI), April 10, 2025.

⁸⁵ See, for example, Dov Lieber, "Defense Industry Is Booming in Israel—Regional war, quest for aerial-defense systems fuel a surge despite embargoes," *Wall Street Journal*, January 9, 2025.

- 2024: Slovakia—Barak MX Integrated Air Defense System (\$579.1 million); and
- 2024: Netherlands Elbit Self Protection Suites for Aircraft (\$175 million) 86

Figure 3. Israel's Annual Arms Exports: 2012-2024

Current U.S. \$ in billions



Source: Created by CRS. Information from Israel Ministry of Defense, International Defense Cooperation Directorate (SIBAT), as reported by various media sources.

Notes: SIBAT does not produce a specific list of Israeli customers by country.

As Israel has become a global leader in certain niche defense technologies, Israeli defense exports to the U.S. market have grown substantially.⁸⁷ The United States has purchased from Israel, among other items, the following Israeli defense articles: the Iron Fist Active Protection Systems (APS) for U.S. Bradley infantry fighting vehicles, Trophy APS for M1 Abrams tanks, enhanced night-vision goggles, laser range finders for the U.S. Marines, helmets for F-35 fighter pilots, wings for the F-35, and portable satellite communication (SATCOM) terminals.

To facilitate the unhindered access to some key supplies, the Department of Defense (DOD) has entered into bilateral Security of Supply Arrangements (SOSAs) with selected foreign governments to secure the mutual timely provision of defense-related goods and services during peacetime, emergencies, and armed conflict. Res SOSAs allow DOD to request prioritized performance of contracts from companies in SOSA-signatory nations, and for SOSA signatories to request the same from U.S. firms. In 2023, the United States and Israel signed a (SOSA) agreement. Res agreement.

⁸⁶ Due to U.S. participation in the David's Sling and Arrow 3 programs, the United States approved Israel's sale to Finland and Germany respectively in 2023, several months before both final sales agreements had been signed.

⁸⁷ Per a 1987 Memorandum of Understanding between the United States and Israel, as amended (Reciprocal Defense Procurement and Acquisition Policy Memorandum of Understanding), Israeli and U.S. defense contractors are able to compete for contracts in both countries on an equal basis. For the text of the MOU, see https://www.acq.osd.mil/dpap/Docs/mou-israel.pdf.

⁸⁸ See CRS In Focus IF11894, Security of Supply Arrangements (SOSAs): Background and Issues.

⁸⁹ U.S. Department of Defense, Security of Supply, available at https://www.businessdefense.gov/security-of-supply.html.

Israeli Exports of Spyware

Revelations regarding the export of Israeli software have drawn attention to Israel's Defense Export Controls Agency (DECA), which was established in 2006. In 2021, after investigative reports indicated the Israeli-owned cybersecurity firm NSO Group had sold mobile-phone software to foreign governments that then used it to spy on other heads of state, dissidents, and human rights activists, the Israeli media looked more closely at DECA's export licensing process. In December 2021, Israel altered its export licensing policy for cybersecurity software, requiring purchasers to pledge they will not use Israeli equipment to commit "terrorist acts" or "serious crime," as defined by DECA.90 Since then, DECA has increased its oversight of cyber technology exports and limited to 37 the number of countries eligible to procure Israeli cyber technology.91 In February 2024, the State Department announced that it would impose visa restrictions for individuals who abused the use of commercial spyware, as well as for those who facilitated such actions.92

The United States and Israel are in the process of gradually phasing out Israel's ability to use a portion of its U.S. military assistance for domestic purchases (also known as Off-Shore Procurement):⁹³ as a result, some Israeli companies have opened subsidiaries that are licensed to do business in the United States. Incorporating in the United States enables Israeli companies to both increase business with the U.S. military and, in some cases, conduct U.S. aid-financed military deals with the Israeli government. The establishment of a U.S. presence by more Israeli companies has led to an increase in defense partnerships between U.S. and Israeli firms, whereby weapons development takes place in Israel and production in the United States.⁹⁴ Elbit Systems of America (Fort Worth, Texas), a wholly owned subsidiary of Israel's Elbit Systems, is one of the largest Israeli-owned firms operating in the United States. It acts as a purchasing agent for the Foreign Military Financing (FMF) and Foreign Military Sales programs. 95 In 2022, Leonardo DRS (a subsidiary of the Italian firm Leonardo SpA) purchased Israeli firm RADA Electronics Industries, in one of the first major acquisitions of an Israeli firm by a U.S.-based firm. ⁹⁶ In April 2025, General Atomics Electromagnetic Systems (GA-EMS) and Rafael Advanced Defense Systems announced the joint manufacture of a long-range, precision-guided strike missile to be constructed in Tupelo, Mississippi. 97

As long as these subsidiaries follow U.S. guidelines (each must be a U.S.-based supplier, manufacturer, reseller, or distributor incorporated or licensed to do business in the United States and registered with the Israeli Ministry of Defense Mission in New York), 98 they are eligible (pending U.S. government approval) to enter into FMF-financed Direct Commercial Sales (DCS)

⁹⁰ See "Israel Issues Stricter Guidelines for use of its Cyber Tech Exports," Reuters, December 6, 2021.

⁹¹ Omer Benjakob, Josh Breiner, and Avi Scharf, "Israeli Firm Suspected of Illegally Selling Classified Spy Tech," *Ha'aretz*, March 8, 2023.

^{92 &}quot;US to restrict visas for those who misuse commercial spyware," Reuters, February 5, 2024.

⁹³ P.L. 118-50, the FY2024 Emergency Supplemental Act, did permit up to up to \$769.3 million (out of \$3.5 billion) in FMF to be used for Off-Shore Procurement.

⁹⁴ Ora Coren, "Israel's Arms Makers to Become more American under New Military-Aid Pact," *Ha'aretz*, updated April 10, 2018.

⁹⁵ Available online at https://elbitsystems.com/globalpresence/.

⁹⁶ Stephen Losey, "Ukraine lessons helped drive acquisition of RADA, Leonardo DRS chief says," *Defense News*, June 22, 2022.

⁹⁷ General Atomics, "General Atomics Partners with Rafael to Build Precision-Guided Missile for U.S. Defense Customers," April 7, 2025.

⁹⁸ CRS conversation with U.S. State Department, Bureau of Political-Military Affairs (PM), January 6, 2022.

contracts⁹⁹ with the Israeli government.¹⁰⁰ Recurring language in annual appropriations bills,¹⁰¹ as implemented by Department of Defense guidance, permits Israel (along with Egypt, Jordan, Morocco, Tunisia, Yemen, Greece, Turkey, Portugal, and Pakistan) to use FMF to finance DCS contracts, in which the purchaser (Israel) enters into a contract directly with a vendor.¹⁰² According to the U.S. Department of Commerce, Israel's Ministry of Defense spends approximately one-third of its annual FMF allocation on Direct Commercial Contracts (DCC) procurements.¹⁰³

Israel Moves to Expand its Industrial Base

Perhaps as a response to soaring international demand for certain armaments, as well as international pressure against Israel for its conduct of the war in Gaza, former Israeli defense leaders¹⁰⁴ and the current coalition government have advocated for greater Israeli independence in the domestic manufacturing of certain weapons, most notably air-dropped munitions. In March 2024, as tensions between the Biden Administration and Israel heightened over Israel's conduct of the war in Gaza, Prime Minister Netanyahu's office issued a statement declaring, "We need to be much more independent in the ability to manufacture the war materiel that we need.... We will do this but we will do so very responsibly and prudently, so that Israel will be independent." Months later, Israeli media reported on the government's decision to manufacture heavy bombs (akin to the MK-84) and tank ammunition domestically. Called the Blue and White Independence Program, this initiative has begun producing materiel that Israel has previously imported. In January 2025, Israel's Ministry of Defense announced that it had contracted with Elbit Systems to produce heavy aerial munitions and a "national raw materials plant" that will produce materials previously sourced abroad. On the support of the source of the support of th

Qualitative Military Edge (QME)

U.S. military aid for Israel has been designed to maintain Israel's "qualitative military edge" over neighboring militaries. The rationale for QME is that Israel must rely on better equipment and

⁹⁹ Direct Commercial Contracts Division (DCC)/DCS allow a foreign entity to contract directly with a U.S.-based company in order to obtain needed supplies or services (subject to U.S. Government review and approval). This process takes the U.S. Government out of the "middleman" role that it plays in facilitating FMS transactions. See CRS In Focus IF11441, *Transfer of Defense Articles: Direct Commercial Sales (DCS)*.

¹⁰⁰ Defense Security Cooperation Agency, Guidelines for Foreign Military Financing of Direct Commercial Contracts, March 2017.

¹⁰¹ See, for example, Section 7035(b)(3), "Commercial Leasing of Defense Articles" in P.L. 118-47, the Further Consolidated Appropriations Act, 2024.

¹⁰² P.L. 101-167, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, states that "Only those countries for which assistance was justified for the Foreign Military Sales Financing Program in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act." The Defense Security Cooperation Agency's Security Assistance Manual further states that "DSCA (Directorate for Security Assistance (DSA) Direct Commercial Contracts Division (DCC)) approves DCCs to be financed with FMF on a case-by-case basis." See Chapter 9.7.3, Security Assistance Management Manual (SAMM) as Defense Security Cooperation Agency Manual 5105.38-M, DSCA Policy 12-20.

 $^{^{103}}$ U.S. Department of Commerce, International Trade Administration, "Israel - Country Commercial Guide, Aerospace and Defense," October 6, 2023.

¹⁰⁴ Dov S. Zakheim, "Is Turkey a threat to Israel?" *The Hill*, January 10, 2025.

¹⁰⁵ Alisa Odenheimer, "Israel Must Be More Independent in Weapons Production, PM Says," Bloomberg, March 31, 2025.

¹⁰⁶ Lilach Shoval, "Amid US tensions, Israel pivots to self-reliance on homegrown arms," *Israel Hayom*, August 13, 2024.

¹⁰⁷ Jeremy Binnie, "Israeli MoD orders locally produced bombs," *Jane's Defence Weekly*, January 7, 2025.

training to compensate for being much smaller in land area and population than most of its potential adversaries.

The Origins of QME

The concept of QME (independent of its application to Israel) dates back to the Cold War. In assessing the balance of power in Europe, U.S. war planners would often stress to lawmakers that, because Warsaw Pact countries had a numerical advantage over U.S. and allied forces stationed in Europe, the United States must maintain a "qualitative edge" in defense systems. ¹⁰⁸ The concept was subsequently applied to Israel in relation to its Arab adversaries. In 1981, then-U.S. Secretary of State Alexander Haig testified before Congress, saying, "A central aspect of US policy since the October 1973 war has been to ensure that Israel maintains a qualitative military edge." ¹⁰⁹

For decades, successive Administrations, in conjunction with Congress, have taken measures to maintain Israel's QME in a number of ways. For example,

- U.S. arms sales policy has traditionally allowed Israel **first regional access** to U.S. defense technology. For example, Israel acquired the F-15 in 1976, six years before Saudi Arabia. It received delivery of the F-16 fighter in 1980, three years before Egypt. 110
- In cases in which both Israel and an Arab state operate the same U.S. platform, Israel has first received either a more advanced version of the platform or the ability to customize the U.S. system.¹¹¹
- In cases in which Israel objected to a major defense article sale to an Arab military (e.g., the 1981 sale of Airborne Early Warning and Control System aircraft or "AWACS" to Saudi Arabia), Congress has, at times, advocated for and legislated conditions on the usage and transfer of such weapons prior to or after a sale.
- The United States has compensated Israel with "offsetting" weapons packages or military aid when selling other U.S. major defense articles to a Middle Eastern state (see textbox below).

Over time, Congress codified informal QME-related practices in ways that encouraged a more deliberate interagency process for each major U.S. arms sale to Middle Eastern governments other than Israel. ¹¹³ In the 110th Congress, Representative Howard Berman sponsored legislation

¹⁰⁸ For example, see Written Statement of General William O. Gribble Jr., Hearings on Research, Development, Test, and Evaluation Program for Fiscal Year 1973, Before Subcommittee No. 1 of Committee on Armed Services, House of Representatives, 92nd Cong., 2nd sess., February 2, 3, 7, 9, 22, 23, 24, March 6, 7, and 8, 1972.

¹⁰⁹ Secretary of State Alexander Haig, Statement for the Record submitted in response to Question from Hon. Clarence Long, House Appropriations Subcommittee on Foreign Operations Appropriations, April 28, 1981.

¹¹⁰ In 1977, P.L. 95–92 provided that "In accordance with the historic special relationship between the United States and Israel and previous agreements and continuing understandings, the Congress joins with the President in reaffirming that a policy of restraint in United States arms transfers, including arms sales ceilings, shall not impair Israel's deterrent strength or undermine the military balance in the Middle East."

¹¹¹ "The Double Edged Sword of the Qualitative Military Edge," *Israel Policy Forum*, April 11, 2016.

¹¹² See Section 131, Certification Concerning AWACS sold to Saudi Arabia, P.L. 99-83, the International Security and Development Cooperation Act of 1985.

¹¹³ Prior to 2008, during congressional review of possible U.S. arms sales to the Middle East, QME concerns were addressed on an ad hoc basis, usually through consultations between the military and committee staff. Some congressional staff argued that assessments for specific arms sales tended to be overly subjective and asserted that codifying the requirement would rationalize the process, make it more objective, and incorporate it as a regular component of the U.S. arms sales review process to Middle Eastern governments. CRS conversation with Senate Foreign Relations Committee staff member, September 24, 2020.

(H.R. 5916, Section 201) to "carry out an empirical and qualitative assessment on an ongoing basis of the extent to which Israel possesses a qualitative military edge over military threats." After becoming chairman of the House Foreign Affairs Committee (HFAC), then-Chairman Berman was able to incorporate this language into the Naval Vessel Transfer Act of 2008 (P.L. 110-429). The relevant QME provisions of this law had three primary elements: (1) they defined QME; 114 (2) they required an assessment of Israel's QME every four years; and (3) they amended the Arms Export Control Act (AECA, 22 U.S.C. §2776) to require a determination, for any export of a U.S. defense article to any country in the Middle East other than Israel, that such a sale would not adversely affect Israel's QME.

Preserving QME: Offsetting Weapons Packages for Israel

The following specific instances supplemented general U.S. efforts to strengthen Israel's QME:115

- In 1992, after the United States announced a sale to Saudi Arabia of F-15 fighters, the George H. W. Bush Administration provided Israel with Apache and Blackhawk helicopters and pre-positioned U.S. defense equipment in Israel for Israeli use with U.S. approval.¹¹⁶
- In 2007, after the George W. Bush Administration agreed to sell Saudi Arabia Joint Direct Attack Munitions (JDAMs), the Administration reportedly agreed to sell more advanced JDAMs to Israel.¹¹⁷
- In 2010, the Obama Administration agreed to sell an additional 20 F-35 aircraft to Israel following a sale to Saudi Arabia that included F-15s.¹¹⁸
- In 2013, after the Obama Administration agreed to sell the United Arab Emirates (UAE) advanced F-16 fighters, then-Secretary of Defense Chuck Hagel announced that the United States would provide Israel with KC-135 refueling aircraft, anti-radiation missiles, advanced radar, and six V-22 Osprey tilt-rotor aircraft.¹¹⁹ At the time, the U.S. proposal marked the first time that the United States had offered to sell tilt-rotor Ospreys to another country. Israel would eventually cancel its planned purchase of the V-22, citing budgetary constraints.

Since the passage of the QME law and its amending of the AECA, the interagency process to assess Israel's QME has taken place behind closed doors and with little fanfare. According to the Defense Security Cooperation Agency's (DSCA) Security Assistance Manual, QME determinations can be classified. After a QME determination has been made regarding a specific proposed sale, DSCA includes a line in the applicable congressional notification reading, "The proposed sale will not alter the basic military balance in the region."

Lawmakers have amended or attempted to amend aspects of the 2008 law. The U.S.-Israel Strategic Partnership Act (P.L. 113-296) amended Section 36 of the AECA to require that the Administration explain, in cases of sales or exports of major U.S. defense equipment to other

¹¹⁴ Section 201(d)(2) defines QME as "the ability to counter and defeat any credible conventional military threat from any individual state or possible coalition of states or from non-state actors, while sustaining minimal damage 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 of states or non-state actors."

¹¹⁵ See, e.g., U.S. Department of State, Remarks by Andrew J. Shapiro, Assistant Secretary, Bureau of Political-Military Affairs, November 4, 2011; "U.S.-Israel Strategic Cooperation: U.S. Provides Israel a Qualitative Military Advantage," *Jewish Virtual Library*.

¹¹⁶ See Israel Ministry of Foreign Affairs, White House Statement on US Military Assistance to Israel, September 26, 1992, VOLUME 13-14: 1992-1994.

¹¹⁷ Dan Williams, "Israel to get 'Smarter' U.S.-made Bombs than Saudis," Reuters, January 13, 2020.

¹¹⁸ Eli Lake, "In Gates Book, Details of Israel's Hard Bargaining over Saudi Arms," Daily Beast, January 10, 2014.

¹¹⁹ "U.S. Near \$10 Billion Arms Deal with Israel, Saudi Arabia, UAE," Reuters, April 19, 2013.

¹²⁰ See https://www.samm.dsca.mil/chapter/chapter-5.

Middle Eastern states, "Israel's capacity to address the improved capabilities provided by such sale or export."

U.S. Bilateral Military Aid to Israel

Since 1999, U.S. assistance to Israel has been outlined in 10-year government-to-government Memoranda of Understanding (MOUs). MOUs are not legally binding agreements like treaties, and do not require Senate ratification. Additionally, Congress may accept or change year-to-year assistance levels for Israel or provide supplemental appropriations. Nevertheless, past MOUs have significantly influenced U.S. aid to Israel; Congress has appropriated foreign aid to Israel largely according to the terms of the MOU in place at the time (with the exception of supplemental appropriations acts). P.L. 116-283, the William M. (Mac) Thornberry National Defense Authorization Act (NDAA) for FY2021, contains Section 1273 of the United States Israel Security Assistance Authorization Act of 2020, which authorizes "not less than" \$3.3 billion in annual FMF to Israel through 2028 per the terms of the current MOU (see below). Appropriators have matched or exceeded that authorization level each year since its passage.

Brief History of MOUs on U.S.Aid to Israel

The first 10-year MOU (FY1999-FY2008), agreed to under the Clinton Administration, was known as the "Glide Path Agreement" and represented a political commitment to provide Israel with at least \$26.7 billion in total economic and military aid (of which \$21.3 billion was military aid) during its duration. This MOU provided the template for the gradual phase-out of all economic assistance to Israel.

In 2007, the George W. Bush Administration and the Israeli government agreed to a second MOU consisting of a \$30 billion military aid package for the 10-year period from FY2009 to FY2018. Under the terms of that agreement, Israel was explicitly permitted to continue spending up to 26.3% of U.S. assistance on Israeli-manufactured equipment (known as Off-Shore Procurement or OSP—discussed below). The agreement stated that "Both sides acknowledge that these funding levels assume continuation of adequate levels for U.S. foreign assistance overall, and are subject to the appropriation and availability of funds for these purposes." 122

The Current 10-Year Security Assistance Memorandum of Understanding (MOU)

On September 14, 2016, U.S. and Israeli government representatives signed another 10-year MOU on military aid covering FY2019 to FY2028. Under the terms of this third MOU, the United States pledges, subject to congressional appropriation, to provide \$38 billion in military aid (\$33 billion in FMF grants, plus \$5 billion in defense appropriations for missile defense programs) to Israel. According to the terms of the MOU, "Both the United States and Israel jointly commit to respect the FMF levels specified in this MOU, and not to seek changes to the FMF levels for the duration of this understanding." ¹²³

During the negotiations for the current MOU, Israeli officials had sought a higher U.S. commitment of as much as \$45 billion. ¹²⁴ One of the MOU's negotiators, former U.S. Ambassador to Israel Daniel B. Shapiro, explained constraints that precluded such an increase:

¹²¹ See, The White House, "Joint Statement by President Clinton and Prime Minister Ehud Barak," July 19, 1999.

¹²² United States-Israel Memorandum of Understanding, Signed by then U.S. Under Secretary of State R. Nicholas Burns and Israeli Ministry of Foreign Affairs Director General Aaron Abramovich, August 16, 2007.

¹²³ Memorandum of Understanding between the United States and Israel, September 14, 2016.

¹²⁴ Peter Baker and Julie Hirschfeld Davis, "U.S. Finalizes Deal to Give Israel \$38 Billion in Military Aid," *New York Times*, September 13, 2016.

At \$3.1 billion (the closing level of FMF in the previous MOU), the Israeli share of the global FMF budget stood at roughly 40 percent. Two of the three next largest recipients of FMF were Egypt and Jordan, Israel's two Arab peace partners. The American side explained that there would be no way to increase FMF to Israel to certain levels without cutting deeply into the Egyptian and Jordanian programs, and likely eliminating altogether a number of smaller programs in other countries. ¹²⁵

The terms of the FY2019-FY2028 MOU differ from previous agreements on issues such as,

- Phasing out Off-Shore Procurement (OSP). 126 OSP was to decrease slowly until FY2024, and then phase out more dramatically over the MOU's last five years, ending entirely in FY2028 (see Figure 4). The MOU calls on Israel to provide the United States with "detailed programmatic information related to the use of all U.S. funding, including funds used for OSP." In response to the planned phase-out of OSP, some Israeli defense contractors started merging with U.S. companies or opening U.S. subsidiaries to continue their eligibility for defense contracts financed through FMF (see "U.S. Aid and Israel's Advanced Military Technology"). 127
- Missile Defense. The Administration pledged to request \$500 million in annual combined funding for missile defense programs with joint U.S.-Israeli elements—such as Iron Dome, Arrow II and Arrow III, and David's Sling. Previous MOUs did not include missile defense funding, which has traditionally been appropriated via separate interactions between successive Administrations and Congresses. While the MOU commits both the United States and Israel to a \$500 million annual U.S. missile defense contribution, it also stipulates that under exceptional circumstances (e.g., major armed conflict involving Israel), both sides may agree on U.S. support above the \$500 million annual cap). 128

Considerations for the Next MOU

The current MOU is in effect through September 30, 2028. U.S. and Israeli officials will probably soon begin the formal process for negotiating the next assistance agreement. Israeli lawmakers and various experts have begun publishing position papers on the future of U.S. military assistance to Israel. Some call for maintaining or increasing aid, while others call for gradually phasing out assistance and, instead, pursuing a model of cooperative programming. ¹²⁹ During

¹²⁵ Daniel B. Shapiro, "A Review of the Negotiations on the 2016 US-Israel MOU on Military Assistance," in Sasson Hadad, Tomer Fadlon, and Shmuel Even, Editors, *Israel's Defense Industry and US Security Aid*, INSS, pp. 61-68.

¹²⁶ Section 42(c) (22 U.S.C. §2791(c)) of the AECA prohibits using funds made available under this act for procurement outside the United States unless the President determines that such procurement does not have an adverse effect on the U.S. economy or the industrial mobilization base. Executive Order 13637 designated this authority to the Secretary of Defense and the issuance of an OSP waiver requires concurrence by the Departments of State and Commerce. See U.S. Department of Defense, Defense Security Cooperation Agency, Security Assistance Manual, Chapter 9.

^{127 &}quot;Israeli UAV Firm agrees deal for Unnamed US Company," Jane's Defence Weekly, July 18, 2017.

¹²⁸ In FY2022, Congress appropriated \$1 billion in additional missile defense funding for Israel. In FY2024, Congress appropriated \$8.7 billion in combined FMF and missile defense funding (see **Table 2**).

¹²⁹ "By Itself, With U.S.: The Case for a U.S.-Israel Mutual Defense Treaty Post-10/7," The Jewish Institute for National Security of America (JINSA), October 7, 2024. Lahav Harkov, "Meet the Likud lawmaker advocating for the U.S. to phase out military aid to Israel," *Jewish Insider*, March 13, 2025; and "U.S.–Israel Strategy: From Special Relationship to Strategic Partnership, 2029–2047," The Heritage Foundation, March 12, 2025.

both the Biden and Trump Administrations, Prime Minister Benjamin Netanyahu has stated that Israel needs to "wean ourselves off of American security aid." ¹³⁰

With both sides having already agreed to tens of billions worth of U.S. arms sales since October 7, 2023, and with Israel's ability under U.S. law to use cash flow financing (**see below**) to stretch FMF payments on those contracts over years, a new MOU may be necessary to finance existing payment schedules on equipment already purchased. If the two sides are unable to reach an arrangement, and Congress does not appropriate FMF to Israel, the Israeli government would either have to pay for existing contracts with national funds, arrange other sources of external financing, or terminate ongoing contracts, at which point the United States and Israel may both be liable for certain contract termination costs.

As both sides prepare for MOU negotiations, projected Israeli defense budgets and U.S. foreign assistance budgets may factor into the aid levels in the next MOU. Israel has signaled that it may raise its own defense spending significantly in the coming years. An Israeli government commission recently recommended adding another \$30 billion to military spending over the next decade. As Congress considers recent Administration reviews of U.S. foreign assistance, some experts have noted that reductions in U.S. assistance globally could have an indirect impact on Israel even if U.S. aid to Israel continues. For example, former U.S. Ambassador to Israel Daniel Shapiro has said that if other countries are receiving U.S. aid, "Israel is not so exposed," as the recipient of a majority of FMF.

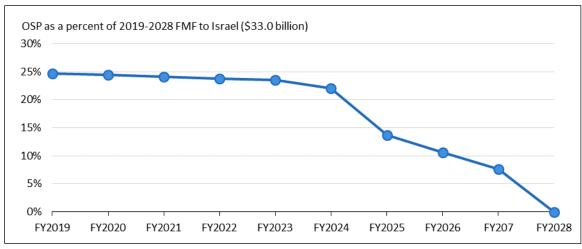


Figure 4. Phasing Out Off-Shore Procurement (OSP) Under the MOU

Source: CRS graphics.

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¹³⁰ Lahav Harkov, "Netanyahu calls to 'wean' Israel off U.S. aid amid growing tensions," *Jewish Insider*, May 12, 2025.

¹³¹ Carrie Keller-Lynn, "Israel Must Bolster Military, Panel Warns," Wall Street Journal, January 8, 2025.

¹³² Daniel B. Shapiro, "Let's talk about the next US-Israel military-assistance agreement," *Defense One*, January 31, 2025.

10-Year Security
Assistance MOU

Amount of Foreign Military
Financing (FMF) to Israel*

2019-2028 MOU (Obama)

\$33.0 billion

2009-2018 MOU (G.W. Bush)

\$30.0 billion

1999-2008 MOU (Clinton)

\$21.3 billion

*Figure shows Foreign Military Financing only. Missile defense funds are not included. Figures are not adjusted for inflation.

Figure 5. U.S. Foreign Military Financing to Israel over Decades

Source: CRS graphics.

Foreign Military Financing (FMF) and Arms Sales

The Foreign Military Financing appropriations account is the primary legislative funding vehicle through which Israel receives security assistance. Historically, Israel has been the largest recipient of FMF. Annual FMF grants to Israel represent approximately 14% of the overall Israeli defense budget. ¹³³ In the decades-long history of U.S. military aid to Israel, current levels of U.S. military aid represent a lower percentage of overall Israeli defense spending than in previous eras due to the growth of Israel's economy and national budget. ¹³⁴ Israel's defense expenditure as a percentage of its Gross Domestic Product (8.8% in 2024) is one of the highest in the world. ¹³⁵

Like other global recipients of major U.S. defense equipment, the state of Israel procures U.S. arms through the Foreign Military Sales program (recipient procures item from the U.S. government) and Direct Commercial Sales (DCS) licenses (U.S. firms sell defense articles directly to international partners). From 1950 to 2022, the United States implemented more than \$53.4 billion in FMS for Israel, making it the second largest U.S. defense customer by value worldwide (after Saudi Arabia). In April 2025, the Bureau of Political-Military Affairs (POL-MIL) at the State Department (the bureau responsible for policy direction of U.S. arms sales) reported that "as of April 2025, the United States has 751 active Foreign Military Sales (FMS) cases with Israel that are valued at \$39.2 billion.... From FY2018 through FY2022, the U.S. has also authorized the permanent export of over \$12.2 billion in defense articles to Israel via the Direct Commercial Sales (DCS) process." 137

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¹³³ The Israeli Ministry of Defense provides funding figures for its domestic defense budget but excludes some procurement spending and spending on civil defense. The estimate referenced above is based on figures published by *Jane's*, "Israel Defence Budget," January 12, 2024. Jane's removes FMF from its Israeli defense budget calculations to reflect how much Israel independently spends on defense.

¹³⁴ United States General Accounting Office, "U.S. Assistance to the State of Israel," Report by the Comptroller General of the United States, June 24, 1983.

¹³⁵ According to the Stockholm International Peace Research Institute (SIPRI), "Military spending as a share of GDP rose from 5.4 per cent in 2023 to 8.8 per cent in 2024, giving Israel the second highest military burden in the world behind Ukraine." See, Xiao Liang, Nan Tian, Diego Lopes da Silva, Lorenzo Scarazzato, Zubaida Karim, and Jade Guiberteau Ricard, "Trends in World Military Expenditure, 2024," SIPRI Fact Sheet, Stockholm International Peace Research Institute (SIPRI), April 2025.

¹³⁶ Defense Security Cooperation Agency (DSCA), Historical Sales Book Fiscal Years 1950 to 2022, FY2022 edition.

¹³⁷ U.S. Department of State, Bureau of Political-Military Affairs, "U.S. Security Cooperation with Israel: Fact Sheet," April 25, 2025.

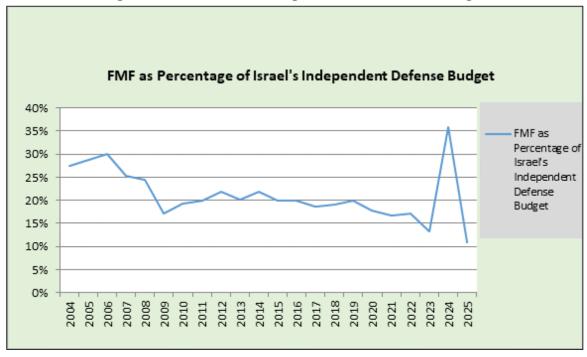


Figure 6. FMF as a Percentage of Israel's Defense Budget

Source: Jane's Defence Budget (April 2025).

Notes: This table does not include annual missile defense appropriations. Jane's Defence uses Israeli Ministry of Finance figures and other sources to estimate annual budget projections. Jane's figures are in constant 2025 USD billions.

Cash Flow Financing

Section 23 of the AECA (22 U.S.C. §2763) authorizes the President to finance the "procurement of defense articles, defense services, and design and construction services by friendly foreign countries and international organizations, on such terms and conditions as he may determine consistent with the requirements of this section." Successive Administrations have used this authority to permit Israel to utilize FMF funds to finance multiyear purchases in advance appropriations, rather than having to pay the full amount of such purchases up front (see text box below). Known as "cash flow financing," this benefit enables Israel to negotiate major arms purchases with U.S. defense suppliers with payments scheduled over a longer time horizon. 138

¹³⁸ Cash flow financing is defined in Section 25(d) of the AECA and Section 503(a)(3) of the Foreign Assistance Act of 1961, as amended.

Early History of Cash Flow Financing to Israel

The United States initially began authorizing installment-style sales to Israel to help it rebuild its military capabilities after the 1973 war with Egypt and Syria. Congress appropriated \$2.2 billion for Israel in P.L. 93-199, the Emergency Security Assistance Act of 1973. Section 3 of that act stated that "Foreign military sales credits [loans or grants] extended to Israel out of such funds shall be provided on such terms and conditions as the President may determine and without regard to the provisions of the Foreign Military Sales Act as amended." At the time, the Foreign Military Sales Act of 1968 (amended in 1971 and the precursor to the Arms Export Control Act of 1976), capped the annual amount of foreign military sales credit that could be extended to a recipient at no more than \$250 million per year. Under the authorities contained in P.L. 93-199, President Richard Nixon, in two separate determinations (April and July 1974), allocated the \$2.2 billion to Israel as \$1.5 billion in grant military aid, the largest U.S. grant aid package ever for Israel at the time. The remaining \$700 million was designated as a military Ioan. According to the New York Times, the Ford Administration reached a new arms sales agreement with Israel a year-and-a-half later, providing that "the cost of the new military equipment would be met through the large amount of aid approved by the just-completed session of Congress as well as the aid that will be approved by future Congresses." 139

Cash flow financing and its derivatives also have allowed Israel to use U.S. government-approved sources of external financing to support the procurement of major U.S. defense systems, such as combat aircraft. Beginning with its purchase of F-16D aircraft from Lockheed Martin over 20 years ago and continuing presently with ongoing procurement of the F-35, the United States has utilized what is known as the "Deferred Payments Program." This program allows Israel to defer payments owed under its Letter of Offer and Acceptance (LOA) for F-35 aircraft and use future-year FMF appropriations to make payments pursuant to a pre-determined payment schedule. Upon deferral of a given payment by Israel, a private bank (in the case of the F-35, a small consortium led by Citibank) pays Lockheed Martin in full and Lockheed Martin assigns its right to be paid by the U.S. Government to the bank. 141

In Foreign Military Sales cases in which Israel and the United States seek to execute LOAs beyond the scope of the current MOU (either beyond FY2028 or above the \$33 billion pledged), the U.S. government has established a "Special Billing Arrangement" (SBA) with Israel. The purpose of SBAs, according to DSCA, is to "improve cash management for eligible FMS partners." Under an SBA, Israel may use national cash reserves for funding requirements associated with an FMS case (e.g., funds to cover termination liability) that exceeds the amount of funds listed in or duration of the current MOU. 143

¹³⁹ See "U.S. Decides to Sell Some Arms to Israel That It Blocked in the Past," *New York Times*, October 12, 1976.

¹⁴⁰ Under this arrangement, Lockheed Martin sells Citibank a legal claim on its defense contract with Israel. The Defense Department then repays Citibank using the available FMF allocation for Israel. The Israeli government uses its own national funds to pay interest on the Citibank loans. One organization in support of continued U.S. support for Israel has advocated for Congress to authorize the use of FMF to cover Israeli interest payments on weapons deals to creditors. See Jonathan Ruhe, Charles B. Perkins, and Ari Cicurel, "Israel's Acceleration of U.S. Weapons Procurement: Analysis and Recommendations," The Jewish Institute for National Security of America (JINSA), February 2021. However, according to DSCA, it is unclear whether FMF is legally available for that purpose.
¹⁴¹ CRS Correspondence with DSCA, January 2022.

¹⁴² See Chapter 9.10.2, Security Assistance Management Manual (SAMM) as Defense Security Cooperation Agency Manual 5105.38-M, DSCA Policy 12-20.

¹⁴³ According to DSCA, "Since requirements and procedures are unique to each country, they are normally established in an agreement between the customer country, DSCA, and the appropriate banking institutions in the U.S. and the purchaser's country." See Defense Security Cooperation University, Security Cooperation Management, Chapter 12, edition 41, May 2021.

Table 3. Selected Notified U.S. Foreign Military Sales to Israel

Amount/Description	Cong. Notice	Primary Contractor(s)	Estimated Cost
KC-46A aerial refueling aircraft	2020	Boeing Corporation	\$2.4 billion
JP-8 aviation fuel, diesel fuel, and unleaded gasoline	2020	N/A	\$3 billion
18 CH-53K Heavy Lift Helicopters (with support equipment)	2021	Lockheed Martin (parent company of Sikorsky) and General Electric Company	\$3.4 billion
*120mm M830A1 High Explosive Anti- Tank Multi-Purpose with Tracer (MPAT) tank cartridges	2023	U.S. Army inventory	\$106.5 million
*M107 155mm projectiles	2023	U.S. Army inventory	\$147.5 million
50 new F-15IA multi-role fighter aircraft and modification kits for 25 F-15I multi-role fighter aircraft	2024	Boeing Corporation	\$18.82 billion
30 AIM-120C-8 Advanced Medium Range Air-to-Air Missiles (AMRAAM) and I AMRAAM guidance section	2024	RTX Corporation	\$102.5 million
32,739 I20mm tank cartridges	2024	General Dynamics Ordnance and Tactical Systems and Northrop Grumman Defense Systems	\$774.1 million
50,000 M933A1 120mm High Explosive Mortar Cartridges	2024	General Dynamics Ordnance and Tactical Systems Inc.	\$61.1 million
M1148A1P2 Family of Medium Tactical Vehicles (FMTV)	2024	Oshkosh Corporation	\$583.1 million
Heavy Duty Tank Trailers (HDTT)	2024	Leonardo DRS	\$164.6 million
Munitions, Guidance Kits, Fuzes, and Munitions Support	2025	Boeing Corporation and others	\$6.75 billion
AGM-114 Hellfire Missiles	2025	Lockheed Martin	\$660 million
*Caterpillar D9 Bulldozers	2025	Caterpillar	\$295 million
*Munitions, Guidance Kits, and Munitions Support	2025	Boeing Corporation and others	\$675.7 million
*Munitions and Munitions Support	2025	General Dynamics and others	\$2.04 billion
Eitan Powerpack Engines	2025	Rolls-Royce Solutions America, Inc	\$180 million

Sources: Defense Security Cooperation Agency, Stockholm International Peace Research Institute Arms Transfer Database, IHS Jane's.

Notes: All figures are approximate. ***Notified under emergency authority under Section 36(b) of the Arms Export Control Act.

Early Transfer and Interest-Bearing Account

Since FY1991 (P.L. 101-513), Congress has mandated that Israel receive its FMF aid in a lump sum during the first month of the fiscal year (not including supplemental appropriations). P.L.118-47, the FY2024 Further Consolidated Appropriations Act states that, "of the funds appropriated by this Act under the heading 'Foreign Military Financing Program,' not less than \$3,300,000,000 shall be available for grants only for Israel which shall be disbursed within 30 days of enactment of this Act." Once disbursed, Israel's military aid is transferred to an interest-bearing account with the U.S. Federal Reserve Bank. Israel used interest collected on its military aid to pay down, among other things, its bilateral debt (nonguaranteed) to U.S. government agencies. As of September 2024, Israel no longer maintained any outstanding sovereign debt to the United States government. Israel cannot use accrued interest for defense procurement inside Israel.

Shorter Congressional Review Period of Arms Sales

Per provisions in the AECA, Israel, along with North Atlantic Treaty Organization (NATO) member states, Japan, Australia, South Korea, and New Zealand (commonly referred to as NATO+5) have shorter congressional review periods (15 days instead of 30) and higher dollar notification thresholds than other countries for both government-to-government and commercially licensed arms sales. The prior notice threshold values for transfers to these recipients are \$25 million for the sale, enhancement, or upgrading of major defense equipment; \$100 million for the sale, enhancement, or upgrading of defense articles and defense services; and \$300 million for the sale, enhancement, or upgrading of design and construction services. 147

F-35 Joint Strike Fighter

Israel was the first declared international operator of the F-35 Joint Strike Fighter. It has purchased 50 F-35s in three separate contracts using FMF grants and agreed to a Letter of Offer and Acceptance (LOA) with the U.S. government for 25 more planes (for a total of \$3 billion) pending finalized contracts with Lockheed Martin. Deliveries of this additional tranche of jet fighters are not expected to be completed until 2035. As of January 2025, Israel had received 39 of 50 jets on order. Which it has divided into three squadrons (the 116th 'Lions of the South,' the

¹⁴⁴ On at least one occasion when government operations were funded by a continuing resolution, Congress has included provisions in the resolution preventing the early transfer of FMF to Israel until the final appropriations bill for that fiscal year was passed. See Section 109 of P.L. 113-46, the Continuing Appropriations Act, 2014.

¹⁴⁵ According to DSCA, "Some countries may establish an account with the federal reserve bank (FRB), New York, for their FMS [Foreign Military Sales] deposits. An agreement between the FMS purchaser's defense organization, the purchaser's central bank, FRB New York and DSCA identifies the terms, conditions, and mechanics of the account's operation. Countries receiving FMFP funds must maintain their interest-bearing account in the FRB." See Defense Institute of Security Assistance Management (DISAM), "The Management of Security Cooperation (Green Book)," 34th edition, April 2015.

¹⁴⁶ Foreign Credit Reporting System (FCRS), Amounts Due the U.S. Government, United States Department of the Treasury, Office of Global Economics and Debt. Israel finished paying off long-standing debts to the U.S. government in June 2023.

¹⁴⁷ See CRS Report RL31675, Arms Sales: Congressional Review Process, by Paul K. Kerr.

¹⁴⁸ In September 2008, DSCA notified Congress of a possible Foreign Military Sale of up to 75 F-35s to Israel in a deal with a possible total value of \$15.2 billion. See Defense Security Cooperation Agency, "Israel - F-35 Joint Strike Fighter Aircraft," Transmittal No. 08-83, September 29, 2008.

¹⁴⁹ Emanuel Fabian, "Israel inks deal to buy 25 more F-35 fighter jets for \$3 billion," Times of Israel, June 4, 2024.

 140^{th} 'Golden Eagles,' and the 117^{th} Training Squadron) based at Nevatim Air Base in southern Israel. 150

In 2018, Israeli defense officials claimed that Israel was the first country to operate the F-35 in combat. ¹⁵¹ To date, only the United States and Israel have ever used the aircraft in aerial strikes. Since 2018, Israeli pilots have reportedly flown the F-35 across multiple theaters (both permissive and contested in terms of air defenses), such as Syria, Iran, and Yemen. ¹⁵² Some reports suggest that Israel used its F-35s to strike deep within Iranian territory in October 2024, destroying Iran's Russian-supplied S-300 anti-aircraft systems. ¹⁵³ When asked how the Israel Air Force's versions of the F-35 have performed, U.S. Air Force Lieutenant General Michael J. Schmidt stated in a 2023 hearing before the House Armed Services Committee that it had been "absolutely outstanding" and "their full mission capable rates are high." ¹⁵⁴

The Department of Defense's F-35 program is an international cooperative program in which Israel (and Singapore) are considered "security cooperation participants" outside of the F-35 cooperative development partnership. Israel is not eligible to assign staff to the F-35 Joint Program Office in Virginia and does not receive full F-35 technical briefings. The U.S. government and Lockheed Martin retain exclusive access to the F-35's software code, which Israel is not permitted to alter.

Despite these limitations, Israel's involvement in the F-35 program is extensive, with Israeli companies making F-35 wing sets (IAI) and helmets (Elbit Systems). Under a 2020

Figure 7. U.S. and Israeli F-35s Fly in Formation

Joint Exercise Enduring Lightning III (October 2020)



Source: U.S. Air Force.

agreement with Lockheed Martin, the defense contractor committed to re-investing 35%¹⁵⁷ of the F-35 contract's value into Israeli industry through offset and counter-trade activity; as of 2020, Lockheed had invested over \$4 billion in Israel's defense sector.¹⁵⁸

Israel also has received significant development access to the F-35 and the ability to customize its planes with Israeli-made C4 (command, control, communications, computers) systems, under the

¹⁵⁰ Yaakov Lappin, "Israeli Air Force Favouring Additional F-35s," Jane's Defence Weekly, September 10, 2020.

¹⁵¹ Anna Ahronheim, "IAF commander: Israel first to use F-35 jet in combat," *Jerusalem Post*, May 22, 2018.

¹⁵² For example, see "F-35 Stealth Fighter Sees First Combat, in Israeli Operation," BBC News, May 22, 2018 and "Israel - Air Force," Jane's World Air Forces, July 5, 2019, Yaakov Lappin and Jeremy Binnie, "IDF details Iranian UAV incursions," *Jane's Defence Weekly*, March 9, 2022, Jake Epstein, "The F-35 stealth fighter's victory against Iran's air defenses highlights its ability to wage a higher level of war," *Business Insider*, December 14, 2024.

 $^{^{153}}$ Aaron Spray, "5 Times The F-35 5^{th} -Generation Fighter Has Been Used in Combat," Simpleflying.com, November 11, 2024.

¹⁵⁴ CQ Transcripts, "House Armed Services Subcommittee on Tactical Air and Land Forces Holds Hearing on F-35 Acquisition Program Update," December 12, 2023.

¹⁵⁵ See CRS Report R48304, F-35 Lightning II: Background and Issues for Congress.

^{156 &}quot;Israel," Jane's World Air Forces, September 1, 2020.

¹⁵⁷ According to Jane's, FMF-funded contracts in Israel (see Off-Shore Procurement) cannot be used for direct offsets. See, "Israel – Market Report," *Jane's Emerging Markets Reports*, January 17, 2024.

¹⁵⁸ Charles Forrester, "Lockheed Martin signs umbrella offset agreement with Israel," *Jane's Defence Weekly*, August 17, 2020.

condition that the software coding be done by the United States. In 2018, the Navy awarded Lockheed Martin a \$148 million contract for "the procurement of Israel-unique weapons certification, modification kits, and electronic warfare analysis." Software upgrades (called Block 3F+) added to the main computer of Israel's F-35s reportedly facilitate the "use of Israelidesigned electronic equipment and weaponry," thereby permitting Israel to "employ its own external jamming pod and also allow internal carriage of indigenous air-to-air missiles and guided munitions." In December 2021, the Defense Department awarded a \$49 million contract to Lockheed Martin to support work on "an F-35 variant 'tailored' for an undisclosed FMS customer," probably Israel.

F-15IA

Israel has flown variants of the F-15 since the late 1970's, and due to their ranges and payload capacities, these variants (F-15I) have been considered the top fighters in Israel's F-15 fleet. However, for over two decades, Israel had not acquired any new F-15 fighters. Internal Israeli budgetary and political disagreements had delayed a formal Israeli request to move ahead with an acquisition of 25 F-15IAs (or F-15EXs) until 2023. 162 In a long-range Israeli air strike scenario (against a country like Iran), the stealthy F-35 is designed to target an enemy's air defenses, while the F-15IA is to use its heavy-weapons payload against various hardened targets.

Figure 8. F-35 Helmet Mounted Display

Made by Israeli Manufacturer Elbit Systems



Source: Elbit Systems Ltd.

Notes: The F-35 Helmet Mounted Display is a joint venture between Elbit Systems and Rockwell Collins.

As mentioned above, in August 2024, the Biden Administration formally notified Congress of potential Foreign Military Sales to Israel for up to 50 new F-15IA fighter aircraft and F-15 upgrades for \$18.82 billion. ¹⁶³ In November 2024, Israel and Boeing agreed to contract terms for the purchase of 25 F-15IAs for \$5.2 billion. Initial delivery is set to take place in 2031, with 4-6 aircraft to be supplied annually thereafter. ¹⁶⁴ Reportedly, the new F-15IA will be equipped with advanced Israeli electronic warfare equipment and data links. ¹⁶⁵

¹⁵⁹ U.S. Department of Defense, U.S. Navy, Contracts for February 2, 2018.

¹⁶⁰ Gareth Jennings, "Israel Stands-Up Second F-35 Unit," Jane's Defence Weekly, January 17, 2020.

¹⁶¹ Gareth Jennings, "Lockheed Martin to Design and Develop F-35 Variant 'Tailored' for Foreign Customer," *Jane's Defence Weekly*, December 29, 2021.

¹⁶² Arie Egozi, "Israel formally requests 25 F-15 EX from the US: Sources," *Breaking Defense*, January 19, 2023.

¹⁶³ Defense Security Cooperation Agency, "Israel – F-15IA and F-15I+ Aircraft," Transmittal 24-01, August 13, 2024.

¹⁶⁴ "Israel signs \$5.2 billion deal to acquire 25 F-15 fighter jets from Boeing," Reuters, November 7, 2024.

¹⁶⁵ Emanuel Fabian, "Defense Ministry signs \$5.2 billion deal to buy 25 advanced F-15IA fighter jets," *Times of Israel*, November 7, 2024.

KC-46A Pegasus

To extend the range of its aerial attack capability and enhance personnel mobility, Israel has pursued procurement of Boeing's KC-46A "Pegasus" multirole tanker. The Pegasus can refuel all types of U.S. and allied military aircraft and can carry passengers, fuel, and equipment. The Israeli Air Force originally procured its current fleet of tankers (converted Boeing 707s) in the 1970s. According to one account, "With the ability to fly for 36 hours, the KC-46A has a high endurance for long missions and comes equipped with anti-electronic jamming equipment to make the large target safer from attack." According to several Members of Congress, "Israeli KC-46As would not only benefit Israel's refueling operations but, since they are interoperable with U.S. aircraft, would also expand U.S. capabilities in the Middle East—without the United States having to pay to station and maintain tankers in the region." 167

In March 2020, DSCA notified Congress of a planned sale to Israel of eight KC-46A Boeing "Pegasus" aircraft for an estimated \$2.4 billion. 168 Israel is the second foreign country approved by the United States to receive the KC-46A, after Japan. In February 2021, Israel signed an LOA to buy two KC-46As and, in January 2022, it reached a second LOA for two additional tankers. In late August 2022, Boeing and Israel signed a contract for four KC-46As, plus associated maintenance, logistics, and training, for \$927 million. Delivery of the Pegasus tankers may occur at some point in either 2025 or 2026; Israel's government has sought to expedite this timetable. 169

Figure 9. The KC-46A Pegasus



Source: U.S. Air Force.

Since Israel may use the KC-46A to refuel its F-35 fighters, a key capability in projecting force toward Iran and elsewhere, ¹⁷⁰ some lawmakers have sought to expedite deliveries of the refueling aircraft along with associated specialized training for Israeli pilots. Section 1256 of P.L.118-31, the National Defense Authorization Act for FY2024, directs the Secretary of the Air Force to, among other things: provide U.S. resources to train members of the Israel Air Force on the operation of KC-46A, authorize Israeli participation in an Air Force Military Personnel Exchange Program, and provide an estimated date of delivery to Israel of KC-46A aircraft. When this provision was first presented in the Senate, the Biden Administration opposed it, noting that the "Air Force is actively planning KC-46 training and exchange programs with the Government of

¹⁶⁶ Robert Tollast and Thomas Helm, "How Israel could strike back against Iran: Experts outline high-risk options," *The National* (UAE), April 14, 2024.

¹⁶⁷ Reps. August Pfluger and Rob Wittman, and Chris Stewart and Michael Makovsky, "U.S. must expedite delivery of KC-46A aerial refueling tanker to Israel," *Washington Times*, May 1, 2024.

¹⁶⁸ Defense Security Cooperation Agency, "Israel—KC-46A Aerial Refueling Aircraft," Transmittal No. 20-12, March 3, 2020.

¹⁶⁹ Joseph Trevithick, "Israel's Request to Speed Delivery Of KC-46 Tankers Critical for Striking Iran Denied - The War Zone," *The Drive*, December 14, 2021.

¹⁷⁰ Seth Frantzman, "Israel inks \$3 Billion deal for KC-46 Tankers, CH-53 helos," *Defense News*, January 4, 2022.

Israel and will execute such programs on a timeline, and in a manner, that is mutually agreeable to the U.S. and Israeli Air Forces."¹⁷¹

To prepare Israeli defense infrastructure for the KC-46A, U.S. companies have been expanding Israeli runways at various air bases. ¹⁷² These U.S. firms have been paving runways and taxiways and building hangars of sufficient size for the new tankers. ¹⁷³

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¹⁷¹ Executive Office of the President, Office of Management and Budget, July 27, 2023, Follow-on to Statement of Administration Policy, S. 2226 – National Defense Authorization Act for FY2024.

¹⁷² Jeremy Binnie, "Israeli airbase to be upgraded for new KC-46 tankers," *Jane's Defence Weekly*, January 4, 2024.

¹⁷³ Conti Federal, "Conti Federal Awarded Task Order Contract for Taxiway and Runway Rehabilitation in Israel," July 11, 2024.

Other Pillars of U.S.-Israeli Military Cooperation

For decades, the U.S. and Israeli governments have engaged in a number of cooperative military activities, such as joint exercises, working groups, and coordinated operations. Below are some examples of these pillars of defense cooperation.

Joint Bilateral Exercises: For 20 years, the U.S. and Israeli militaries have conducted exercises as part of the "Juniper" series. The most recent one, Juniper Oak, was held in January 2023.¹⁷⁴ The Israeli Navy and the U.S. 5th Fleet also conduct naval exercises, codenamed "Intrinsic Defender." Section 1213 of P.L.118-52, the National Defense Authorization Act for FY2025, requires, among other things, that the United States Central Command (CENTCOM) invite Israel to conduct joint military exercises with U.S. forces, including in subterranean warfare.

Joint Working Groups: Since the early 1980s, U.S. and Israeli officials have participated in the Joint Political Military Group (JPMG), a bilateral forum to discuss and plan military cooperation. To Other groups include: the U.S.-Israel Defense Policy Advisory Group (DPAG), the U.S.-Israel Defense Acquisition Advisory Group (DAAG), the U.S.-Israel Defense Industrial Base Working Group, and the U.S.-Israel Operations-Technology Working Group (OTWG). While these bilateral groups have been created by the executive branch, Congress has at times legislated changes to U.S.-Israeli working groups. To Section 1214 of P.L. 118-52, the National Defense Authorization Act for FY2025, requires the Secretary of Defense to establish a partnership between the Defense Innovation Unit of the Department of Defense and appropriate counterparts of Israel to, among other things, "enhance market opportunities for United States-based and Israeli-based defense technology companies."

U.S. Military Presence in Israel: With the exception of wartime emergencies, such as late 2023 and much of 2024 when the United States deployed significant forces in and around Israel, ¹⁷⁸ the United States does not regularly maintain a large presence of U.S. troops inside Israel. According to a media report, the United States does have access to Mashabim Israeli Air Base, where several dozen U.S. Air Force personnel are apparently located. ¹⁷⁹ Another report suggests that, as of 2021, the United States and Israel maintain a Combined Joint Operations Center at Hatzor Air Base. ¹⁸⁰

One of the most significant gestures of U.S. support for Israel's missile defense architecture has been the deployment of the AN/TPY-2 X-Band radar system (built by Raytheon) to Israel in late 2008. The X-Band system remains U.S.-owned and is operated by U.S. troops and defense contractors—the first indefinite U.S. military presence to be established on Israeli soil.¹⁸¹

CH-53K Heavy Lift Helicopters

Since 1969, Israel's Air Force has used its Sikorsky Yasur helicopters (CH-53D) to transport personnel and equipment. In upgrading its fleet of transport helicopters, Israel chose the Sikorsky

¹⁷⁴ U.S. Department of Defense, U.S. Central Command, "Completion of Juniper Oak 23.2 Exercise," January 26, 2023.

¹⁷⁵ A 1981 MOU laid out in broad terms which issues U.S.-Israeli defense working groups would cover. See, Memorandum of Understanding between the Government of the United States and the Government of Israel on Strategic Cooperation, November 30, 1981. The parties reached this MOU several months after the U.S. sale to Saudi Arabia of AWACs. See, Bernard Gwertzman, "U.S. and Israel Sign Strategic Accord to Counter Soviet: Senate Vote," New York Times, December 1, 1981.

¹⁷⁶ This group was established in 1999 at a time when the Clinton Administration sought to improve bilateral ties with the Ehud Barak government. See, Norman Kempster, "Clinton, Barak Agree on Plan to Strengthen Military Ties," *Los Angeles Times*, July 20, 1999.

¹⁷⁷ For example, see Section 1299M of P.L. 116-283, the William M. (Mac) Thornberry National Defense Authorization Act for FY2021.

¹⁷⁸ See, for example, U.S. Department of Defense, "Austin Deploys Missile Battery, Personnel to Israel," October 15, 2024.

¹⁷⁹ Judah Ari Gross, "In first, US establishes permanent military base in Israel," *Times of Israel*, September 17, 2018.

¹⁸⁰ Jeremy Binnie, "US building combined joint ops centre in Israel," Jane's Defense, July 14, 2021.

¹⁸¹ P.L. 110-417, the Duncan Hunter National Defense Authorization Act for FY2009, authorized up to \$89 million for the activation and deployment of the AN/TPY-2 forward-based X-band radar to a "classified location." In report language (H.Rept. 110-652) accompanying H.R. 5658, the House-passed FY2009 Defense Authorization bill, Members (continued...)

"King Stallion" CH-53K Heavy Lift helicopters over competing systems. In 2021, DSCA notified Congress of a planned sale to Israel of up to 18 CH-53Ks at an estimated cost of \$3.4 billion. 182

In late 2021, Israel signed an LOA with the United States to purchase 12 CH-53K Heavy Lift helicopters for \$2 billion (with an option to procure an additional six helicopters). In February 2022, multiple sources reported that Lockheed Martin's Sikorsky Aircraft Corporation had agreed to a contract with Israel to produce the first four CH-53Ks for \$372 million. In 2023, Sikorsky was awarded a Department of Defense contract worth \$2.7 billion to deliver 35 CH-53Ks, including eight for Israel. Initial delivery is anticipated sometime between 2025 and 2026.

Figure 10. CH-53K Heavy Lift Helicopter for Israel

(an artist's rendering)



Source: Lockheed Martin.

Excess Defense Articles

The Excess Defense Articles (EDA) program provides an avenue for the United States to advance foreign policy objectives—assisting friendly and allied nations—while also reducing its inventory of outdated or excess equipment. This program, managed by DSCA, enables the United States to provide friendly countries with supplies in excess of U.S. requirements, at either reduced rates or no charge.¹⁸⁵

As a designated "major non-NATO ally," Israel is eligible to receive EDA under Section 516(a) of the Foreign Assistance Act

(FAA) and Section 23(a) of the AECA. According to DSCA, from 2013 to 2023, Israel received at least \$296 million in EDA deliveries (current value). The State Department notes that since 1992, the United States has provided a total of \$6.6 billion worth of EDA to Israel. 187

stated that "The State of Israel faces a real and growing threat from short- and medium-range ballistic missiles from states such as the Syrian Arab Republic and the Islamic Republic of Iran. The committee believes that the deployment of a U.S. Army-Navy/Transportable-2 (AN/TPY-2) missile defense discrimination radar to Israel would greatly increase the capabilities of both Israel and U.S. forces deployed in support of Israel to defend against ballistic missile threats. Therefore, the committee urges the Department of Defense to begin discussions with Israel about the possibility of deploying an AN/TPY-2 radar on its territory at the earliest feasible date." The Senate version, S. 3001, included an amendment making funds available for the deployment of the AN/TPY-2 forward-based X-band radar.

 $^{^{182}}$ Defense Security Cooperation Agency, "Israel - CH-53K Heavy Lift Helicopters with Support," Transmittal No. 21-52, July 30, 2021.

¹⁸³ U.S. Naval Air Systems Command, "Israel to purchase CH-53K King Stallion," NAVAIR News, January 4, 2022.

¹⁸⁴ Justin Katz, "Sikorsky awarded \$2.7B contract for 35 CH-53K King Stallions, some bound for Israel," *Breaking Defense*, August 25, 2023.

¹⁸⁵ To access DSCA's Excess Defense Articles database, see http://www.dsca.mil/programs/eda.

¹⁸⁶ Excess Defense Articles Database Tool, Defense Security Cooperation Agency.

¹⁸⁷ U.S. Department of State, "U.S. Security Cooperation with Israel: Fact Sheet," January 20, 2025.

Origins of Israel's Status as a "Major Non-NATO Ally"

On November 4, 1986, President Reagan signed into law P.L. 99-661, the National Defense Authorization Act for FY1987. In Section 1105 of that act, Congress called for greater defense cooperation between the United States and countries that the Secretary of Defense could designate as a "major non-NATO ally" (MNNA). Such cooperation could entail U.S. funding for joint research and development and production of U.S. defense equipment. In February 1987, the United States granted Israel MNNA status along with several other countries (Egypt, Japan, South Korea, and Australia). According to press reports at the time, in the absence of a U.S.-Israeli mutual defense agreement, supporters of Israel had been advocating for Israel to receive "equal treatment" with regard to certain special military benefits (such as the ability to bid on U.S. defense contracts) that NATO allies received from the United States. ¹⁸⁸ Nearly a decade later, Congress passed additional legislation that further solidified Israel's MNNA status. In 1996, Section 147 of P.L. 104-164 amended the Foreign Assistance Act of 1961 by requiring the President to notify Congress 30 days before designating a country as a MNNA. According to the act, Israel, along with several other countries, "shall be deemed to have been so designated by the President as of the effective date of this section, and the President is not required to notify the Congress of such designation of those countries." ¹⁸⁹

Defense Budget Appropriations for U.S.-Israeli Missile Defense Programs

For years, Iran and Iran-supported non-state actors across the Middle East have developed short and long-range capabilities designed to threaten Israel. In response, Congress and successive Administrations have supported joint U.S.-Israeli missile defense projects. As previously mentioned, (see, "The Current 10-Year Security Assistance Memorandum of Understanding (MOU)") the current MOU on assistance commits the president to requesting \$500 million annually from Congress in missile defense funding for joint U.S.-Israeli systems. Congress has provided these funds for Israeli and U.S.-Israeli missile defense programs in defense authorization and appropriations bills and, at times (2021, 2024), has appropriated additional funding during wartime. Israel and the United States each contribute financially to several weapons systems and engage in co-development, co-production, and/or technology sharing in connection with them.

How do the United States and Israel Spend Missile Defense Funds?

In any given fiscal year, after Congress appropriates joint U.S.-Israeli missile defense funding, the Department of Defense's Missile Defense Agency (MDA) and the Israel Missile Defense Organization (IMDO) jointly cooperate to execute the \$500 million annual program. This program has two broad components: (I) research, development, testing, and evaluation (or RDT&E) and (2) procurement/co-production. U.S. contributions toward RDT&E are matched by Israel on an annual basis, while the MOU stipulated that 50% or greater of annual procurement/co-production funds must be spent in the United States. According to the MDA, since the annual \$500 million program is divided roughly into \$300 million for RDT&E and \$200 million for procurement/co-production, at least \$100 million a year is then spent on missile defense funding inside the United States by either U.S. firms or American-based subsidiaries of Israeli defense contractors. 190

¹⁸⁸ See "Israel seeks to obtain the kind of Financial Aid that NATO Members get from U.S. Government," *Wall Street Journal*, February 3, 1987.

¹⁸⁹ See 22 U.S.C. §2321j.

¹⁹⁰ CRS Meeting with Missile Defense Agency, February 20, 2025.

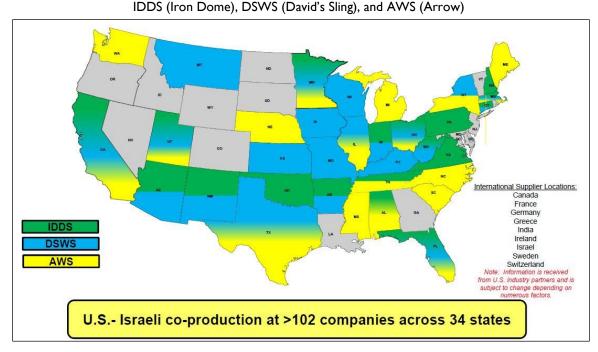


Figure 11. Locations of U.S.-Israeli Missile Defense Co-Production

Source: Provided to CRS by the U.S. Missile Defense Agency, March 2025.

Notes: Approved for public release; distribution unlimited. No U.S.-Israeli missile defense co-production in Alaska or Hawaii (not shown).

The following section provides background on Israel's four-layered active defense network: Iron Dome (short range), David's Sling (low to mid-range), Arrow II (upper-atmospheric), and Arrow III (exo-atmospheric). ¹⁹¹ In addition to these existing systems, according to open source reports, Israel, the U.S. Missile Defense Agency, and various private defense contractors are working on next generation defense systems, such as Arrow IV¹⁹² and various ground and air-based laser systems, including Iron Beam (**see below**). ¹⁹³ Beyond these interception systems, Israel also has extensive civil defense procedures and advanced warning infrastructure to move civilians into shelters in the event of a missile/rocket/drone attack.

Iron Dome

Iron Dome is a short-range anti-rocket, anti-mortar, anti-drone, anti-missile, and anti-artillery system (intercept range of 2.5 to 43 miles) developed by Israel's Rafael Advanced Defense Systems and originally produced in Israel. Iron Dome's targeting system and radar are designed to fire its Tamir interceptors only at incoming projectiles that pose threats to the area being protected (generally, strategically important sites, including population centers); it is not configured to fire on rockets outside of that area. The Tamir interceptor's warhead detonates the target warhead in the air. Iron Dome consists of a wheeled chassis launcher (each with 20 interceptors), a radar unit, and battle management and control center. While Iron Dome's software can make split-second targeting decisions, human operators oversee the system, reload the

¹⁹¹ Israel also maintains its own proprietary missile defense platforms, such as Rafael's SPYDER air-defense system.

¹⁹² Udi Shaham, "Israel, US developing Arrow-4," Jerusalem Post, February 19, 2021.

¹⁹³ Anna Ahronheim, "Lockheed Martin, Rafael Join Forces to Build 'Ground-Based' Laser Weapon," *Jerusalem Post*, July 28, 2021.

launchers, and provide force protection for the unit. Israel can move Iron Dome batteries as threats change (there is a sea-variant of Iron Dome known as C-Dome).

To date, the United States has provided over **\$6** billion to Israel for Iron Dome batteries, interceptors, co-production costs, and general maintenance (see Table 5). Because Iron Dome was developed by Israel alone, Israel initially retained proprietary technology rights to it. The United States and Israel have had a decades-long partnership in the development and co-production of other missile defense systems (such as the Arrow). As the United States began financially supporting Israel's development of Iron Dome in FY2011, U.S. interest in ultimately becoming a partner in its co-production grew. Congress then called for Iron Dome technology sharing and coproduction with the United States. 194

How Israel's Iron Dome works Radar Interception Identifies The missile rocket shell. destroys the incoming rocket by exploding near it. Mobile control unit Analyzes trajectory, Launcher estimates Each has 20 impact point interceptor and commands missiles with launch of interceptor

Figure 12. How Iron Dome works

Source: Rafael Advanced Systems.

Source: Rafael Advanced Defense System

In March 2014, the U.S. and Israeli governments signed a co-production agreement to enable the manufacture of components of the Iron Dome system in the United States, while also providing the U.S. Missile Defense Agency (MDA) with full access to what had been proprietary Iron Dome technology. Subsequent amendments to the original co-production agreement define the percentage of "U.S. workshare" in the co-production process. According to 2023 testimony by the then Director of the U.S. Missile Defense Agency, the U.S. workshare percentage for Iron Dome stood at 30%. Solvential Lagrange and Lagrange

¹⁹⁴ In conference report language accompanying P.L. 112-239, the National Defense Authorization Act for FY2013, conferees agreed: "The Department of Defense needs to obtain appropriate data rights to Iron Dome technology to ensure us the ability to use that data for U.S. defense purposes and to explore potential co-production opportunities. The conferees support this policy and expect the Department to keep the congressional defense committees informed of developments and progress on this issue."

¹⁹⁵ The co-production agreement is formally titled, "Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the State of Israel Concerning Iron Dome Defense System Procurement."

¹⁹⁶ Testimony of Vice Admiral Jon A. Hill, USN, Director, Missile Defense Agency, House Armed Services Committee, Strategic Forces Subcommittee, April 18, 2023.

¹⁹⁷ The FY2014 Emergency Supplemental Appropriations Resolution, P.L. 113-145, exempted \$225 million in Iron Dome funding—requested by Israel on an expedited basis during the summer 2014 Israel-Gaza conflict—from the coproduction requirements agreed upon in March 2014.

¹⁹⁸ Rafael, Iron Dome Family, available at https://www.rafael.co.il/system/iron-dome/.

U.S. Marines Testing Iron Dome Components

As the U.S. Marines prepare to field a new missile defense capability, known as the Medium-Range Intercept Capability, or MRIC, the Corps has integrated elements of Iron Dome into the MRIC and testing is ongoing. 199 According to one report, the Marine Corps purchased 80 Tamir Interceptors from Israel in FY2024 with plans to purchase an additional 240 additional interceptors from a new production line in East Camden, Arkansas²⁰⁰, by RTX and Rafael. 201 Several years ago, the U.S. Army procured two Iron Dome batteries from Rafael at a cost of \$373 million. In 2023, those batteries were leased back to Israel.

David's Sling

David's Sling is a short/medium-range system designed to counter long-range rockets and slower-flying cruise missiles fired at ranges from 25 to 186 miles, such as those possessed by Iran and Hezbollah in Lebanon. In August 2008, Israel and the United States officially signed a "project agreement" to co-develop the David's Sling system. ²⁰² David's Sling is designed to intercept missiles with ranges and trajectories for which Iron Dome and/or Arrow interceptors are not optimally configured. It has been developed jointly by Rafael Advanced Defense Systems and RTX. ²⁰³ David's Sling uses RTX's Stunner missile for interception, and each launcher can hold up to 12 missiles. Unlike Iron Dome, the Stunner missile is a "hit-to-kill" interceptor with more maneuverability and a much higher per unit cost. ²⁰⁴ In April 2017, Israel declared David's Sling operational.

Since FY2006, the United States has contributed **over \$3.8 billion** to the development of David's Sling (see **Table 5**). In June 2018, the United States and Israel signed a co-production agreement for the joint manufacture of the Stunner interceptor. Some interceptor components are built in Tucson, Arizona, by RTX.

The Arrow and Arrow II

Under a 1986 agreement allowing Israel to participate in the Strategic Defense Initiative (SDI), the United States and Israel have co-developed different versions of the Arrow anti-ballistic missile, and, since 1988, have engaged in joint development.²⁰⁵ The Arrow is designed to counter

¹⁹⁹ Meredith Roaten, "MRIC nears end of FY2024 evaluation for US marines," *Jane's Defence Weekly*, July 29, 2024.

 $^{^{200}}$ In 2023, RTX and Rafael jointly announced a \$33 million capital investment to establish an interceptor production facility at this location.

²⁰¹ Ashley Roque, "Marines eye 2025 fielding of 3 new, mobile air defense systems," *Breaking Defense*, May 3, 2024.

²⁰² This joint agreement is a Research, Development, Test and Evaluation (RDT&E) Framework agreement between the United States and Israel. The joint program to implement the agreement is known as the Short Range Ballistic Missile Defense (SRBMD) David's Sling Weapon System (DSWS) Project. The Department of Defense/U.S.-Israeli Cooperative Program Office manages the SRBMD/DSWS program, which is equitably funded between the United States and Israel.

²⁰³ See Raytheon Missile and Defense, David's Sling System and SkyCeptor Missile at https://www.raytheonmissilesanddefense.com/capabilities/products/davidssling.

²⁰⁴ Thomas Newdick, "Israel's Vaunted Integrated Air Defense System Explained," *The War Zone*, October 20, 2023.

²⁰⁵ Shortly after the start of the Strategic Defense Initiative (SDI) in 1985, the Reagan Administration sought allied political support through various cooperative technology agreements on ballistic missile defense (BMD). A memorandum of understanding was signed with Israel on May 6, 1986, to jointly develop an indigenous Israeli capability to defend against ballistic missiles. Subsequently, a number of additional agreements were signed, including, for example, an April 1989 Memorandum of Agreement (MOA) to develop an Israeli computer facility as part of the Arrow BMD program, a June 1991 agreement to develop a second-generation Arrow BMD capability, and a September 2008 agreement to develop a short-range BMD system to defend against very short-range missiles and rockets. Israeli (continued...)

short-range ballistic missiles. The United States has funded just under half of the annual costs of the development of the Arrow Weapon System, with Israel supplying the remainder. The total U.S. financial contribution (for all Arrow systems) has exceeded \$4.7 billion (see Table 4). The system became operational in 2000 in Israel and has been tested successfully. The Arrow II program (officially referred to as the Arrow System Improvement Program or ASIP), a joint effort of Boeing and IAI, is designed to defeat longer-range ballistic missiles in the upper atmosphere.

High Altitude Missile Defense System (Arrow III)

Citing a potential nuclear threat from Iran, Israel has sought a missile interceptor that operates at a higher altitude and greater range than the original Arrow systems. In October 2007, the United States and Israel agreed to establish a committee to evaluate Israel's proposed "Arrow III," an upper-tier system designed to intercept medium-range ballistic missiles outside the atmosphere. The Arrow III is a more advanced version—in terms of speed, range and altitude—of the current Arrow II interceptor. In 2008, Israel decided to begin development of the Arrow III and the United States agreed to co-fund its development despite an initial proposal by Lockheed Martin and the DOD urging Israel to purchase the Terminal High-Altitude Area Defense (THAAD) missile defense system instead.²⁰⁶

The Arrow III, made (like the Arrow II) by IAI and Boeing, has been operational since January 2017. The United States and Israel signed an Arrow III co-production agreement in June 2019; their co-production of Arrow III components is ongoing.²⁰⁷ A U.S.-based subsidiary of IAI, Stark Aerospace Inc. based in Columbus, Mississippi, is producing canisters for the Arrow III system. Since co-development began in 2008, Congress has appropriated \$1.5 billion for Arrow III (see Table 5).

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interest in BMD was strengthened by the missile war between Iran and Iraq in the later 1980s, and the experience of being attacked by Scud missiles from Iraq during Operation Desert Storm in 1991.

²⁰⁶ For additional information on THAAD see CRS In Focus IF12645, *The Terminal High Altitude Area Defense (THAAD) System.*

²⁰⁷ In July 2010, the United States and Israel signed a bilateral agreement (The Upper-Tier Interceptor Project Agreement) to extend their cooperation in developing and producing the Arrow III, including an equitable U.S.-Israeli cost share.

Table 4. U.S. Contributions to the Arrow Program (Arrow, Arrow II, and Arrow III)

current U.S. dollars in millions

Fiscal Year	Total	Fiscal Year	Total	Fiscal Year	Total
1990	52.000	2004	144.803	2018	392.300
1991	42.000	2005	155.290	2019	243.000
1992	54.400	2006	122.866	2020	214.000
1993	57.776	2007	117.494	2021	250.000
1994	56.424	2008	118.572	2022	235.000
1995	47.400	2009	104.342	2023	253.000
1996	59.352	2010	122.342	2024	253.000
1997	35.000	2011	125.393	2025	253.000
1998	98.874	2012	125.175		
1999	46.924	2013	115.500		
2000	81.650	2014	119.070		
2001	95.214	2015	130.908		
2002	131.700	2016	146.069		
2003	135.749	2017	272.224		
				Total	4,754.811

Source: U.S. Missile Defense Agency.

Iron Beam

In 2014, Rafael Advanced Defense Systems announced that the company was developing a mobile, ground-based high energy laser (HEL) interception system. After eight years of development, Israel publicly demonstrated the capabilities of Iron Beam in 2022. Iron Beam first tracks an incoming rocket, artillery, or mortar (RAM) or unmanned aerial vehicle (UAV), then fires two electrically sourced high energy lasers at the target, destroying it at a range of up to 2.7 miles away. If successfully tested and operational, Iron Beam could significantly enhance Israel's national counter-RAM and counter-drone defenses. Each use of the Iron Beam would cost between two and four dollars, compared to tens of thousands of dollars to manufacture a conventional interceptor. Hell interception systems are intended to complement, rather than substitute for, Israel's current multi-layered defense system. It is difficult for laser systems to operate in inclement weather and their range is typically shorter than existing kinetic systems, like Iron Dome. In addition, if Israel faced a barrage of RAMs or a swarm of drones, it would require a number of HEL batteries to protect its homeland.

In December 2022, Lockheed Martin and Rafael signed a teaming agreement to jointly develop and manufacture a HEL system based on "the assets that have been developed independently by

²⁰⁸ Gareth Jennings, "Israel to deploy protective 'laser wall', likely Iron Beam," *Jane's Defence Weekly*, February 2, 2022

²⁰⁹ "Israel says laser missile shield to cost just \$2 per interception," Reuters, June 1, 2022.

²¹⁰ Yaakov Lappin, "Israeli PM announces 'laser wall' air defence plan," Jane's Defence Weekly, February 2, 2022.

Rafael and the Ministry of Defense's Directorate of Defense Research and Development (DDR&D) within the framework of the IRON BEAM project."²¹¹

As previously mentioned, Congress first appropriated funding for Iron Beam in P.L. 118-50, Division A - Israel Security Supplemental Appropriations Act, FY2024. On October 21, 2024, the United States and Israel completed an "exchange of letters" outlining how U.S. supplemental aid for missile defense and Iron Beam will be allocated.²¹² Israeli defense contractor Elbit Systems has joined Rafael as a co-developer of Iron Beam, which is set to be deployed in 2025.

²¹¹ Lockheed Martin press release, "Lockheed Martin and Rafael Advanced Defense Systems to Collaborate on High-Energy Laser System," December 5, 2022.

²¹² "US initiates \$5.2 billion aid package to strengthen Israel's air defenses," Israel National News (*Arutz Sheva*), October 21, 2024.

Table 5. Defense Budget Appropriations for U.S.-Israeli Missile Defense: FY2006-FY2023

current U.S. dollars in millions

Fiscal Year	Arrow II	Arrow III (High Altitude)	David's Sling (Short- Range)	Iron Dome	Iron Beam	Total
FY2006	122.866	_	10.0	_		132.866
FY2007	117.494	_	20.4	_		137.894
FY2008	98.572	20.0	37.0	_		155.572
FY2009	74.342	30.0	72.895	_		177.237
FY2010	72.306	50.036	80.092	_		202.434
FY2011	66.427	58.966	84.722	205.000		415.115
FY2012	58.955	66.220	110.525	70.000a		305.700
FY2013 After Sequestration	40.800	74.700	137.500	194.000		447.000
FY2014	44.363	74.707	149.712	460.309 (includes supp)		729.091
FY2015	56.201	74.707	137.934	350.972		619.814
FY2016	56.519	89.550	286.526	55.000		487.595
FY2017	67.331	204.893	266.511	62.000		600.735
FY2018	82.300	310.000	221.500	92.000		705.800
FY2019	163.000	80.000	187.000	70.000		500.000
FY2020	159.000	55.000	191.000	95.000		500.000
FY2021	173.000	77.000	177.000	73.000		500.000
FY2022	173.000	62.000	157.000	1,108.000b		1,500.000
FY2023	173.000	80.000	167.000	80.000		500.000
FY2024	173.000	80.000	167.000	80.000		500.000
FY2024 (Supp)	-	-	1,000.000	3,000.000	1,200.000	5,200.000
FY2025	173.000	80.000	167.000	80.000	-	500.000
Total	2,145.476	1,567.779	3,828.317	6,075.281	1,200.000	14,816.853

Source: http://www.congress.gov.

Notes:

a. These funds were not appropriated by Congress but reprogrammed by the Obama Administration from other Department of Defense accounts.

b. P.L. 117-103, the FY2022 Consolidated Appropriations Act provided \$108 million in Iron Dome appropriations from the Defense Department's Procurement, Defense-Wide and Research, Development, Test and Evaluation Defense-Wide accounts. Section 8142 of the act also provided \$1 billion in supplemental aid for Iron Dome for FY2022-FY2024.

U.S.-Israeli Missile Defense Cooperation During Wartime: 2023-2025

Amongst the many coordinated tactics Hamas terrorists employed in attacking Israel on October 7, 2023 was its barrage of rocket fire into Israel; the IDF estimated that during the first few hours of the attacks, an estimated 2,500 to 3,000 rockets were fired from the Gaza Strip. An estimated 18 civilians were killed from rocket fire from Gaza on October 7 and the ensuing days, and there was extensive infrastructure damage in southern Israel. Though Iron Dome batteries actively intercepted many incoming rockets, the quantity of incoming projectiles may have temporarily overwhelmed Israeli defenses. Days later, IDF officials refused to provide interception performance figures, as many Israeli officials cautioned about divulging sensitive information to Israel's enemies. Israel may further investigate its standing missile defense architecture if/when Israel officially forms a state commission of inquiry on the intelligence failures of October 7.

In the weeks and months following the attacks of October 7 and the ensuing war in Gaza, Israel faced incoming projectiles fired from Iran, Syria, Lebanon, Iraq, Gaza, and Yemen. Never before had Israel faced incoming fire from so many fronts and from so many different threat elements, ranging from long-range ballistic missiles to low-flying high-speed unmanned aerial vehicles designed to evade radar detection. All told, various monitoring organizations estimate that between October 7, 2023 and January 19, 2025 (the start of a Gaza ceasefire that lasted until March), Israel faced somewhere between 27,000 and 34,000 incoming projectiles (e.g., rockets, drone, ballistic missiles).²¹⁷ Some attacks against Israel came on a daily or near-daily basis (Hezbollah), and others came in episodic and/or coordinated waves (e.g., Iran's April and October 2024 attacks).

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²¹³ Emanuel Fabian, "IDF: 9,500 rockets fired at Israel since Oct. 7, including 3,000 in 1st hours of onslaught," *Times of Israel*, November 9, 2023.

²¹⁴ Israeli Ministry of Foreign Affairs, Swords of Iron: Civilian Casualties, Updated to January 10, 2025.

²¹⁵ "The October 7 Massacre: Explained," The Israeli Defense Forces, October 6, 2024.

²¹⁶ "Israel refuses to publish Iron Dome rate of successful interceptions so far," *All Israel News*, October 26, 2023.

²¹⁷ For example, see Jewish Institute for National Security of America (JINSA), "Iran Projectile Tracker"; Armed Conflict Location & Event Data (ACLED), "Key figures on attacks by and against Israel since 7 October 2023,"; and the Institute for National Security Studies (INSS), "Swords of Iron: An Overview."

Throughout the conflict, Israel's multi-layered system of defenses, Iron Dome (short range). David's Sling (low to mid-range), Arrow II (upper-atmospheric), and Arrow III (exoatmospheric), was successfully used on multiple occasions to defend Israel's civilian population and military installations.²¹⁸ According to accounts, no Israeli died during Iran's two missile/drone barrages in 2024. No Israeli died from any Houthi missile attack against Israel, and one Israeli died from a Houthi drone attack against Tel Aviv in July 2024. In April 2024, a seven-year-old Israeli Bedouin girl was injured by falling shrapnel. In October 2024, a Palestinian in the West Bank died from falling shrapnel.

Figure 13. Israel Launches Arrow Interceptor

November 2023



Source: Israeli Ministry of Defense.

The United States (along with some European and Arab partners) also played a significant role in defending Israel and commercial Red Sea shipping by deploying various assets to Israel and the Middle East region. Between 2023 and 2025, U.S. guided missile cruisers fired standard missiles at Houthi projectiles and incoming Iranian ballistic missiles headed toward Israel.²¹⁹ In October 2024, the United States deployed a Terminal High Altitude Area Defense battery (along with nearly 100 U.S. personnel) to Israel to augment Israel's multi-layered missile defense. Five years earlier, U.S. and Israeli forces had reportedly tested THAAD and Israeli systems together to enhance integration and interoperability.²²⁰ According to one late 2024 analysis by the *New York Times*, "When combined with U.S. antimissile systems in the region [THAAD, Patriot], Israel currently has the most layers of missile defense in the world."²²¹ According to testimony from Lieutenant General Heath A. Collins, the Director of the U.S. Missile Defense Agency, "Israeli missile defenses and the U.S. Missile Defense System demonstrated combat-proven interoperability by detecting, tracking, and engaging the most complex, dense, and stressing ballistic missile attacks in history, saving countless Israeli and American lives."²²²

While Israeli officials credit U.S.-Israeli co-produced systems for saving many lives in conflict against Hamas, Hezbollah, Iran, and the Houthis, ²²³ they also acknowledge that no missile defense system can 100% accurately defend against all threats. At times, human operators must make split-second decisions over the choice to intercept, ²²⁴ and adversaries adapt to changing circumstances. At times between 2023 and 2025, Israel's adversaries managed to penetrate its

²¹⁸ Arrow II and Arrow III began intercepting missiles fired by the Houthis from Yemen in October and November 2023. Arrow II and III also were used to defend against Iran's direct attacks on Israel. David's Sling intercepted a Hezbollah missile headed toward Tel Aviv in fall 2024.

²¹⁹ For example, see Sam Lagrone, "SM-3 Ballistic Missile Interceptor Used for First Time in Combat, Officials Confirm," *USNI News*, April 15, 2024.

²²⁰ U.S. Army, "U.S. Deploys THAAD to Israel," March 15, 2019.

²²¹ Agnes Chang and Samuel Granados, "How Missile Defense Works (and Why It Fails)," *New York Times*, November 2, 2024.

²²² Testimony of Lieutenant General Heath A. Collins, USAF, Director, Missile Defense Agency, Before the House Armed Services Committee, Strategic Forces Subcommittee, April 30, 2025.

²²³ See, "Israel's Missile Defense Engagements Since October 7th," Interview with Moshe Patel, director of the Israeli Missile Defense Organization, Center for Strategic and International Studies (CSIS), July 12, 2024.

²²⁴ Lior Ohana, "There are nights we'll never forget': Up close with the Arrow air defense system," *YnetNews.com*, January 13, 2025.

multi-layered defense system. According to one report, after Iranian-supplied drones repeatedly failed to penetrate Israeli air space, the Houthis altered their approach routes into southern Israel. Israel. Israel. Israel, Iran has demonstrated more sophisticated capabilities, such as ballistic missiles that not only can reach Israel in 12 minutes, but can reportedly evade interceptors through post-reentry maneuvering. Iran's October 2024 attack against Israel consisted of an estimated 180 ballistic missiles fired, some of which landed in areas around Israeli military bases. Iran's October barrage featured more ballistic missiles than its April attacks, and, unlike in April, Iran reportedly did not warn the United States in advance.

Between 2023 and 2024, Hezbollah inflicted damage against northern Israel; Israeli civilian evacuations of the north may have reduced casualties. During Israel's Operation Northern Arrows against Hezbollah in fall 2024, one research center estimates that Hezbollah launched approximately 16,000 munitions into Israel (rockets, drones, and anti-tank missiles); approximately 1,000 munitions hit, killing 77 Israelis (47 civilians and 30 soldiers) and wounding several thousand people. While Israeli systems performed well against Hezbollah's rockets and missiles, Hezbollah's low-flying, high speed drones and anti-tank missiles caused casualties.

As U.S. and Israeli policymakers review joint missile defense projects in light of the 2023-2025 conflicts, some observers have advocated for further investigation of what informally has been referred to as "missile economics" (i.e., the per interception costs incurred by the target nation and the costs to retain sufficient stockpiles of interceptors in a prolonged conflict). While there are no official estimates of Israeli per unit interceptor costs, certain systems, such as the Arrow 3, have interceptors that cost millions of dollars to produce. According to one former Israeli general, Iran's April 2024 attack against Israel cost Israel, the United States, and its allies an estimated \$1.1 billion to defend against when accounting for all the interceptors and combat aircraft used in the operation. According to one analysis by the Swiss newspaper NZZ, throughout the war, Israel has been "paying a lot for its missile shield – at least in the single-digit billions of dollars." Since the United States provides significant missile defense funding for Israel, the strain on Israel's defense budget is somewhat softened. According to one Israeli observer, "When it comes to air defense, without American funding, it would be a heavy burden on the defense budget."

²²⁵ Yossi Yehoshua, "'Second Arrow needed': IDF reviews strategy amid Houthi escalation," *YnetNews.com*, December 21, 2024.

²²⁶ Udi Etzion, "Faulty systems or surprise: Why hasn't IAF intercepted missiles aimed at central Israel? – analysis," *Jerusalem Post*, December 21, 2024.

²²⁷ Thomas Newdick, Tyler Rogoway, "Clearer Picture Of Damage To Israeli Airbase From Iranian Ballistic Missiles Emerges," *The War Zone*, October 4, 2024.

²²⁸ See, https://besacenter.org/the-gaza-terror-offensive-october-7-8-2023/.

²²⁹ Alistair MacDonald, Doug Cameron and Heather Somerville, "Drone, Missile Warfare Tests Strapped Defense Systems," *Wall Street Journal*, April 18, 2024.

²³⁰ For example, see these estimates by the Missile Defense Advocacy Alliance at https://missiledefenseadvocacy.org/missile-defense-systems-2/missile-defense-systems/missile-interceptors-by-cost/.

²³¹ Galit Altstein, "Foiling Iran's Missile Attack Probably Cost More Than \$1 Billion," *Bloomberg*, April 17, 2024.

²³² Jonas Roth, Adina Renner, Ida Götz, "Israel has shot down tens of thousands of rockets over the last year. How much did it cost?" *NZZ*, December 23, 2024.

²³³ Udi Ezion, "Defense is more expensive than offense': The cost of Iran's missile attack and Israel's defense," *Jerusalem Post*, October 4, 2024.

Emergency U.S. Stockpile in Israel

The War Reserve Stocks for Allies-Israel (WRSA–I, also referred to as the War Reserve Stockpile for Allies-Israel) is a Defense Department program, whereby various branches of the U.S. military pre-position stockpiles of U.S. defense equipment inside Israel intended for Israel's use during wartime. WRSA-I is a U.S.-owned, Israeli-maintained arms depot, which both countries can use; in Israel's case, the presence of U.S. equipment in-country can obviate the need for a quick U.S. resupply of certain defense items in emergency circumstances. Congress has authorized Israel's use of the stockpile in statute and sets annual caps on the amounts of U.S. materiel that may be added to WRSA-I (see below).

Background

In the early 1980s, Israeli leaders sought to expand what they called their "strategic collaboration" with the U.S. military by inviting the United States to stockpile arms and equipment at Israeli bases for American use in wartime.²³⁴ Beginning in 1984, the United States began to stockpile military equipment in Israel, but only "single-use" armaments that could not be used by the IDF.²³⁵ In 1989, the George H. W. Bush Administration altered the terms of the stockpile to provide Israel access to it in emergency situations.²³⁶ At the time, the United States was attempting to sell Saudi Arabia M1A1 tanks, and U.S. officials were seeking Israel's acquiescence to the deal.

Since 1989, there have been several instances in which Israel or the United States have accessed the stockpile, including the following:

- During the summer 2006 war between Israel and Hezbollah, Israel requested that the United States expedite the delivery of precision-guided munitions to Israel. The George W. Bush Administration did not use the emergency authority codified in the AECA, but rather allowed Israel to access the WRSA-I stockpile.
- In July 2014, during Israeli military operations against Hamas in the Gaza Strip, the Defense Department permitted Israel to draw from the stockpile, paid with FMF, to replenish 120-mm tank rounds and 40-mm illumination rounds fired from grenade launchers.²³⁷
- In 2022 and 2023, the United States reportedly withdrew 300,000 155-millimeter artillery shells from WRSA-I (and additional materiel from the U.S. stockpile in South Korea) to send to Ukraine. According to multiple reports, Israeli officials acceded to the Pentagon's request in order to avoid confrontation with the United States and because, according to one Israeli official, "it's their ammunition and they don't really need our permission to take it." In January 2025, the United States again accessed WRSA-I and sent 90 Patriot air defense

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²³⁴ "U.S. - Israel Strategic Link: Both Sides Take Stock," New York Times, October 2, 1981.

²³⁵ "U.S. Tells Israel it Plans to Sell Saudis 300 Tanks," New York Times, September 29, 1989.

²³⁶ In October 1989, the United States and Israel agreed to pre-position \$100 million worth of defense equipment in Israel accessible by both countries.

²³⁷ "U.S. Defends Supplying Israel Ammunition during Gaza Conflict," Reuters, July 31, 2014.

²³⁸ Eric Schmitt, Adam Entous, Ronen Bergman, John Ismay, and Thomas Gibbons-Neff, "Pentagon Sends U.S. Arms Stored in Israel to Ukraine," *New York Times*, January 17, 2023.

²³⁹ Barak Ravid, "U.S. sends weapons stored in Israel to Ukraine," Axios, January 18, 2023.

- interceptors from Israel to Ukraine after Israel decommissioned its Patriot air defense batteries.²⁴⁰
- In December 2023, the Biden Administration notified Congress of proposed sales to Israel of tank cartridges (\$106.5 million on December 8) and artillery shells (\$147.5 million on December 29). In both instances, the Administration said it was invoking emergency authorities codified in the Arms Export Control Act (22 U.S.C. 2776) that allow the President to waive congressional review of an arms sale if the President states in a formal notification to Congress that "an emergency exists" requiring an immediate sale "in the national security interests of the United States." According to the Department of Defense, both sales came from WRSA-I. At the time, several Members of Congress objected to the Administration's use of emergency authority to bypass congressional review. 242

Legal Authority and Legislative History

In 1984, Congress amended the Foreign Assistance of 1961 by adding Section 514 of the FAA of 1961 (22 U.S.C. §2321h), a global authority that allows U.S. defense articles stored in war reserve stocks to be transferred to a foreign government through FMS or through grant military assistance, such as FMF. Congress limited the value of assets transferred into WRSA stockpiles in any fiscal year through authorizing legislation (see below). The United States retains title to the WRSA stocks, and title must be transferred before the foreign country may use them.

WRSA-I and Congressional Notification

Section 12001 of P.L. 108-287, the Department of Defense Appropriations Act, 2005, required that Congress be notified in advance of a transfer. However, since withdrawals from the stockpile to Israel could have been done under emergency circumstances, a degree of incongruity developed between the notification procedures in the law and how the stockpile worked in practice. According to one report, decades ago, a U.S. defense official developed a mechanism for "for shipping U.S. weapons from Israel to Israel—without the need for a cumbersome, politically fraught signoff from the White House."²⁴³ One former U.S. government official, who has criticized U.S. security assistance to Israel, characterized the process of building an FMS case for a stockpile withdrawal as something that was done "retroactively."²⁴⁴ During the war in Gaza, the Biden Administration attempted to resolve this incongruity both by using emergency authorities in the AECA, and by proposing changes to the law in its supplemental request to Congress. Congress ultimately adopted these changes in P.L. I 18-50. Section 305 of that act amends Section 12001 of P.L. 108-287 to, among other things, allow the President to notify Congress "as far in advance of such transfer as is practicable as determined by the President on a case-by-case basis during extraordinary circumstances impacting the national security of the United States."

Twenty years later, during the second Iraq War, Congress began considering provisions to amend Section 514 in foreign assistance authorization legislation and create an Israel-specific WRSA authority. Congress later enacted a new WRSA-I transfer authority in Section 12001 of P.L.108-287, the Department of Defense Appropriations Act, 2005. That authority stated that

²⁴⁰ Barak Ravid, "U.S. sending dozens of Patriot missiles from Israel to Ukraine," Axios, January 29, 2025.

²⁴¹ Defense Security Cooperation Agency, "Israel—M830a1 120mm Tank Cartridges," December 9, 2023.

²⁴² Alex Gangitano, "Senate Democrats scoff at Biden's Israel arms sale," *The Hill*, January 3, 2024. See also, "Senator Risch Letter to Blinken," Senate Foreign Relations Committee, January 26, 2024.

²⁴³ David Schenker, "Best Friends Don't Have to Ask," *Politico Magazine*, August 14, 2014.

²⁴⁴ Harry Davies and Manisha Ganguly, "Gaza war puts US's extensive weapons stockpile in Israel under scrutiny," *The Guardian*, December 27, 2023.

²⁴⁵ See, Markup before the Committee on International Relations, House of Representatives, 108th Cong., 1st sess., On H.R. 1950 and H.Con.Res. 160, May 7 and 8, 2003 and S. Rept. No. 108-56 to accompany S. 1161, the Foreign Assistance Authorization Act, FY2004.

"notwithstanding" Section 514 of the FAA, the President may transfer to Israel, "in exchange for concessions to be negotiated," (e.g., possibly cash or other fair market value services) obsolete or surplus items from the inventory of the Department of Defense, such as armor, artillery, automatic weapons ammunition, and missiles, which are located in a stockpile in Israel. This authority also required that "Not later than 30 days before making a transfer under the authority of this section, the President shall transmit a notification of the proposed transfer" to congressional committees of jurisdiction.

Congress also has amended the WRSA-I authorization to allow the President to store more precision-guided munitions in Israel. The contents of WRSA-I are not publicly available, though for years, various reports have suggested that the types of munitions stored inside WRSA-I were unguided. Section 1275 of P.L. 116-283, the 2021 NDAA, amended Section 514 of the FAA (for a three-year period only) to enable the President to transfer PGMs to Israel without regard to annual limits on their value once they were stored in Israel, provided that such a transfer, among other things, does not harm the U.S. supply of PGMs and the combat readiness of the United States. This provision required the President to certify to Congress that any transfer meets these statutory conditions. It also required another assessment of the quantity and type of PGMs necessary for Israel in the event of a prolonged war.

Before this provision expired, Congress reauthorized it through January 1, 2027 in P.L.118-31, the National Defense Authorization Act for Fiscal Year 2024. That act eliminated previous assessment and reporting requirements and replaced them with an annual Defense Department assessment of the "current quantity and type of precision-guided munitions in the stockpile" and a report to Congress detailing actions being taken by the United States to ensure that WRSA-I has "sufficient quantities and types of munitions, including precision-guided munitions, to conduct the operations."

For decades, Congress has reauthorized WRSA-I in either annual appropriations legislation or national defense authorization acts—or both. P.L.118-31, the National Defense Authorization Act for Fiscal Year 2024, has reauthorized WRSA-I until January 1, 2027.

Congress also has enacted provisions, in appropriations legislation, authorizing the U.S. military to increase the value of materiel stored in Israel. According to DSCA, "no new procurements are involved in establishing and maintaining these stockpiles. Rather, the defense articles used to establish a stockpile and the annual authorized additions represent defense articles that are already within the stocks of the U.S. armed forces. The stockpile authorizing legislation simply identifies a level of value for which a stockpile may be established or increased." In statute, there are two authorities capping annual U.S. contributions to stockpiles, an Israel-specific cap

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²⁴⁶ Section 1273 of P.L. 115-232, the John S. McCain National Defense Authorization Act for FY2019, first authorized the President to conduct a joint assessment of the quantity and type of PGMs necessary for Israel in the event of a prolonged war.

²⁴⁷ Shortly after the October 7 attacks, Rep. Chip Roy called on the Defense Department to provide information about the contents of the stockpile. See, Representative Chip Roy, "Rep. Roy demands full accounting from Pentagon on US arms stockpiled for Israel," October 30, 2023. Annual reporting to Congress on the contents of pre-positioned war reserve materiel (PWRM) globally exclude treatment of WRSA. See, U.S. Defense Department Directive 3110.07 (Glossary).

²⁴⁸ Admiral James Stavridis, "Sending 'Dumb' Weapons from Israel to Ukraine is Smart," *Bloomberg*, January 25, 2023.

²⁴⁹ Defense Institute of Security Assistance Management (DISAM), *DISAM's Online Greenbook*, Chapter 2, Security Legislation and Policy.

(\$200 million annually) and a global one (\$500 million annually).²⁵⁰ Section 306 of P.L.118-50, the FY2024 Emergency Supplemental Act, eliminated the annual cap on U.S. additions to WRSA-I for FY2024.

Until 2021, the United States European Command (EUCOM) managed the WRSA-I program; in January 2021, President Trump directed that Israel be transferred from the area of responsibility (AOR) of EUCOM to that of CENTCOM. CENTCOM formalized that move in September 2021. Since the transfer, CENTCOM has managed WRSA-I.²⁵¹ In June 2024, the Defense Department's Office of Inspector General announced its intention to assess the effectiveness of CENTCOM's accountability controls over WRSA-I.²⁵²

Defense Budget Appropriations for Anti-Tunnel Defense

In 2016, the Israeli and U.S. governments began collaborating on a system to detect underground smuggling tunnels and to counter cross-border tunnels used to infiltrate Israel. Section 1279 of P.L. 114-92, the FY2016 National Defense Authorization Act, authorized the establishment of a U.S.-Israeli anti-tunnel cooperation program.²⁵³ This authorization allowed funds from the research, development, test, and evaluation defense-wide account to be used (in combination with Israeli funds) to establish anti-tunnel capabilities that "detect, map, and neutralize" underground tunnels that threaten the United States or Israel (Congress later amended the authorization by adding "maneuver in"). The authorization requires the Secretary of Defense to report to Congress on, among other things, the sharing of research and development costs between the United States and Israel. P.L.118-31, the FY2024 National Defense Authorization Act, reauthorized the anti-tunnel program through 2026. The FY2025 National Defense Authorization Act raised the program's annual funding cap from \$50 million to \$80 million, though average annual appropriations have been below these amounts (see **Table 6**).²⁵⁴

²⁵⁰ 22 U.S.C. 2321h. In the Foreign Assistance Act of 1961 as amended, see Section 514(b)(2)(A) for the global cap and Section 514(b)(2)(B) for the Israel-specific cap. The Defense Department could use both funding authorities to add materiel to WRSA-I.

²⁵¹ The United States and Israel have a bilateral agreement that governs the storage, maintenance, in-country transit, and other WRSA-related costs. The government of Israel, using both its national funds and FMF, pays for the construction, maintenance and refurbishment costs of WRSA ammunition storage facilities. It also pays for the packaging, crating, handling and transportation of armaments to and from the stockpile. CRS exchange with EUCOM and DSCA officials, April 2012.

²⁵² U.S. Department of Defense, Office of Inspector General, "Audit of DoD's Accountability Controls Over War Reserve Stockpile Allies–Israel," June 10, 2024.

²⁵³ Section 1279 of P.L. 116-92, the FY2020 National Defense Authorization Act, extended the authority of the antitunnel cooperation program through December 31, 2024.

²⁵⁴ In the 118th Congress, Section 1206 of S. 4638, the Senate version of the FY2025 NDAA, would have raised the spending cap on the counter-tunnel program from \$50 to \$80 million. The House bill had no such provision. The Joint Explanatory Statement accompanying P.L. 118-159, the FY2025 NDAA, includes the Senate provision, thereby raising the cap since the explanatory statement "shall have the same effect with respect to the implementation of this legislation as if it were a joint explanatory statement of a committee of conference." See Servicemember Quality of Life Improvement and National Defense Authorization Act for FY2025, Legislative Text and Joint Explanatory Statement, To Accompany H.R. 5009, P.L. 118-159.

Table 6. U.S.-Israeli Anti-Tunnel Cooperation

current U.S. dollars in millions

Fiscal Year	Appropriation
FY2016	40.0
FY2017	42.5
FY2018	47.5
FY2019	47.5
FY2020	-
FY2021	47.5
FY2022	47.5
FY2023	47.5
FY2024	47.5
FY2025	47.5
Total	415.0

Source: Joint Explanatory Statements accompanying Consolidated Appropriations Acts for FY2016-FY2024. See – "Combatting Terrorism Technology Support" in Defense Explanatory Statement. For FY2025, see U.S. Department of Defense, DD14, Base for Reprogramming Actions, April 18, 2025.

Within the Department of Defense, the Irregular Warfare Technical Support Directorate (IWTSD) manages the counter-tunnel program with Israel (IWTSD also conducts joint research and development defense programs with Australia, Canada, Singapore, and the United Kingdom). Though there is little public information about specific technologies in development, one budget report notes that the United States and Israel plan on creating a "testing and training fixture that will closely replicate subterranean and hard and deeply buried targets in threat countries to allow for Units of Action to research and develop technological solutions."²⁵⁵

Israel's tactics in counter-tunnel warfare continue to evolve as its adversaries have become more adept in constructing underground military facilities. Ironically, Israeli counter-tunnel measures taken with regard to Gaza-Israel cross-border tunnels in previous years may have led the October 7, 2023 attackers to focus mainly on above-ground incursions into Israeli territory. Since October 7, Hamas's use of previously undetected tunnels have illustrated the difficulty the Israel Defense Forces (IDF) have encountered in detecting and neutralizing Hamas's vast subterranean network, colloquially referred to as the "Gaza metro." According to one former senior Israeli official, the depth of Hamas's tunnels initially surprised many Israelis, as Israel's Ground Penetration Radar could only detect major tunnels 50 to 65 feet below ground; the deepest Hamas tunnels were 230 feet below ground. During the war, there has been no public reporting on whether co-developed U.S.-Israel systems have been used in tunnel detection and demolition.

²⁵⁵ U. S. Department of Defense, FY2024 Budget Estimates, Research, Development, Test & Evaluation, Defense-Wide (unclassified), March 2023.

²⁵⁶ Majd Abuamer, "Gaza's Subterranean Warfare: Palestinian Resistance Tunnels vs. Israel's Military Strategy," *Studies in Conflict and Terrorism*, May 5, 2024; "10 Things to Know About Hamas Tunnels," Foundation for the Defense of Democracies, November 6, 2023.

²⁵⁷ "Inside the tunnels of Gaza," Reuters, December 31, 2023.

Multiple reports describe Israeli combat engineer units, such as Yahalom, using drones, robots, and dogs for tunnel detection.²⁵⁸

Defense Budget Appropriations for Countering Unmanned Aerial Systems (C-UAS) and Supporting Directed Energy Capabilities

As UAV technology has proliferated across the Middle East, Israel has sought U.S. assistance in countering various systems used by state and non-state actors. In an effort to counter unmanned drones, states are researching various methods to detect incoming unmanned aircraft (using radio or optical sensors) and then either disabling, destroying, or seizing them by jamming their communications, intercepting their flight paths, or hacking their electronic systems.²⁵⁹ Several Israeli companies have counter-drone solutions in development, including Drone Dome (Rafael), ReDrone (Elbit Systems), and Drone Guard (IAI). According to one unnamed executive at IAI, "Drone defense is an expensive business as countries have a large number of facilities to protect.... It's a crazy arms race because the technological possibilities for drone use continue to increase."²⁶⁰

Table 7. U.S.-Israeli Anti-Drone Cooperation

current U.S. dollars in millions

Fiscal Year	Appropriation
FY2020	13.0
FY2021	25.0
FY2022	25.0
FY2023	25.0
FY2024	40.0
FY2025	55.0
Total	183.0

Source: Joint Explanatory Statements accompanying Consolidated Appropriations Acts 2020-2024. See "Combatting Terrorism Technology Support" in Defense Explanatory Statement. For FY2025, see U.S. Department of Defense, DD14, Base for Reprogramming Actions, April 18, 2025.

Congress first authorized a cooperative U.S.-Israeli Counter Unmanned Aerial Systems (C-UAS) program by expanding the scope of the anti-tunnel cooperation program for FY2019.²⁶¹ In the FY2020 NDAA (P.L. 116-92), Congress created a separate authority (Section 1278), which authorized the Secretary of Defense to "carry out research, development, test, and evaluation activities, on a joint basis with Israel, to establish capabilities for countering unmanned aerial systems that threaten the United States or Israel." Section 1278 required a matching contribution

²⁵⁸ See, for example, John Spencer, "Israel's New Approach to Tunnels: A Paradigm Shift in Underground Warfare," Modern War Institute, December 2, 2024.

²⁵⁹ Ilan Ben Zion, "As Attack Drones Multiply, Israeli Firms Develop Defenses," Associated Press, September 26, 2019.

²⁶⁰ "Why Drones Are Becoming Iran's Weapons of Choice," *The Economist*, November 10, 2021.

²⁶¹ See Section 1272 of P.L. 115-232, the John S. McCain National Defense Authorization Act for FY2019.

from the government of Israel and capped the annual U.S. contribution at \$25 million. Congress initially authorized the program through FY2024.

Section 1277 of P.L. 117-263, the James M. Inhofe National Defense Authorization Act for FY2023, modified the authorization for the C-UAS program to include "directed energy capabilities." ²⁶² It also raised the cap on annual U.S. contributions to the program from \$25 to \$40 million and extended the program's authorization through calendar year 2026. P.L.118-31, the National Defense Authorization Act for FY2024, further raised the cap on the C-UAS program from \$40 million to \$55 million.

Like U.S.-Israeli counter-tunnel cooperation, the IWTSD manages the U.S.-Israeli C-UAS/Directed Energy program. According to IWTSD's contract solicitation documents, "Current C-UAS solutions are air domain centric, and do not address the proliferation of technology extending into the multi-domain arena.... it is imperative to stay ahead of the threat by developing new detection and mitigation technologies and delivering new capabilities to U.S. and Israeli warfighters." In 2022, the U.S. Army awarded an Israeli company named Smart Shooter a contract to provide the Army with its Smash 2000L optics for rifles as part of a counter-UAS program.

IWTSD, with specific guidance and funding from Congress, also has been developing the ROC-X, a hand-launched, vertical takeoff and landing (VTOL), loitering munition that can target transient objects. ²⁶⁵ In House Appropriations Committee reports for both FY2024 and FY2025, lawmakers expressed interest in the development of the ROC–X "as it transitions through the operational test and evaluation phase." ²⁶⁶ IWTSD awarded IAI the contract to develop the ROC-X. P.L. 117-263, the James M. Inhofe National Defense Authorization Act for FY2023, authorized \$5 million for its development.

Aid Restrictions and Possible Violations

U.S. aid and arms sales to Israel, like those to other foreign recipients, are subject to U.S. law. Some U.S. citizens and interest groups have called upon Congress to ensure that U.S. military assistance to Israel complies with applicable U.S. laws and policies, and with international humanitarian law.

²⁶² Section 1280 of P.L. 116-283, the 2021 NDAA, stated that the Defense Department may establish a program to carry out "research, development, test, and evaluation activities, on a joint basis with Israel, to promote directed energy capabilities of mutual benefit to both the United States and Israel." Section 1254 of P.L. 118-31, the FY2024 NDAA, further modified the authorization for U.S.-Israeli cooperation on directed energy capabilities.

²⁶³ U.S. Department of Defense, Irregular Warfare Technical Support Directorate, Broad Agency Announcement, 24S4008, March 29, 2024.

²⁶⁴ Seth J. Frantzman, "Israel's Smart Shooter wins US Army contract for anti-drone optics," *C4ISRNET*, October 12, 2022

²⁶⁵ Yaakov Lappin, "IAI unveils Point Blank manportable loitering munition," *Jane's Defence Weekly*, January 23, 2023.

²⁶⁶ House Committee on Appropriations, Report accompanying H.R. 8774, the Department of Defense Appropriations Bill 2025, June 17, 2024; and House Committee on Appropriations, Report accompanying H.R. 4365, the Department of Defense Appropriations Bill 2024, June 27, 2023.

Arms Sales and Use of U.S.-Supplied Equipment²⁶⁷

The 1952 Mutual Defense Assistance Agreement and subsequent arms agreements between Israel and the United States limit Israel's use of U.S. military equipment to defensive purposes. The AECA (22 U.S.C. §2754) authorizes the sale of U.S. defense articles and services for specific purposes, including "legitimate self-defense." The AECA (22 U.S.C. §2753) states that recipients may not use such articles "for purposes other than those for which [they have been] furnished" without prior presidential consent. The AECA also states in 22 U.S.C. §2753 that the consent of the President shall not be required for the transfer by a foreign country or international organization of defense articles sold by the United States, if the recipient of the third-country transfer is the government of a member country of NATO, Australia, Japan, South Korea, Israel, or New Zealand. The act stipulates that sale agreements entered into after November 29, 1999 must grant the U.S. government the right to verify "credible reports" that articles have been used for unauthorized purposes. Neither the AECA nor FAA explicitly requires that recipients of U.S.-origin defense articles follow International Humanitarian Law (IHL).

The AECA requires the President to submit a formal notification of arms sales transactions to Congress before issuing a Letter of Offer and Acceptance for an FMS transfer or an export license for a DCS transfer. The executive branch may not proceed with notified transfers if Congress adopts a joint resolution of disapproval within an AECA-prescribed time period (15 days for Israel). Under the regular legislative process, Congress may act to regulate or prohibit any sale of U.S.-origin defense articles up to the time of delivery to the recipient country.

End-Use Monitoring

It is the statutory responsibility of the Departments of State and Defense, pursuant to the AECA, to conduct end-use monitoring (EUM) to ensure that recipients of U.S. defense articles use such items solely for their intended purposes. The AECA also provides specific authority to the President (through a presidential determination) and Congress (joint resolution) to prohibit the sale or delivery of U.S.-origin defense articles to a recipient country if it has used such articles "for a purpose not authorized" by the AECA or the FAA.²⁷⁰

²⁶⁷ For more on this topic, see CRS In Focus IF11197, U.S. Arms Sales and Human Rights: Legislative Basis and Frequently Asked Questions, by Paul K. Kerr and Liana W. Rosen.

²⁶⁸ U.S. State Department, *Treaties in Force*, Agreement relating to mutual defense assistance, Entered into force July 23, 1952; TIAS 2675.

²⁶⁹ Pursuant to the AECA, when Israel, like other foreign nations, purchases U.S. defense articles and services, it must sign a Letter of Offer and Acceptance (LOA) with the United States government. The LOA lists the items and/or services, estimated costs, and the terms and conditions of sale. Unless otherwise specified, the standard terms and conditions for Israel are consistent with the general terms for all U.S. arms sales abroad. For a sample LOA, see Defense Security Cooperation Agency, Security Assistance Management Manual, available at https://www.samm.dsca.mil/figure/figure-c5f4.

²⁷⁰ See CRS In Focus IF11533, *Modifying or Ending Sales of U.S.-Origin Defense Articles*, by Paul K. Kerr and Liana W. Rosen, and CRS In Focus IF10392, *Foreign Military Sales Congressional Review Process*, by Paul K. Kerr.

Human Rights-Related Prohibitions in Legislation

Section 502B of the Foreign Assistance Act

The FAA of 1961, as amended, also contains general provisions on the use of U.S.-supplied military equipment.²⁷¹ Section 502B(a)(2) of the FAA (22 U.S.C. §2304(a)(2)) stipulates that, absent the exercise of certain presidential waivers due to extraordinary circumstances, "no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights."272 For the purposes of Section 502B, "security assistance" is defined broadly to include sales of defense articles or services, extensions of credits, and guaranties of loans under the AECA, licenses for exports to foreign government military or security forces, and certain categories of assistance authorized under the FAA. The term "gross violations of internationally recognized human rights" is defined to include 1) "torture or cruel, inhuman, or degrading treatment or punishment"; 2) "prolonged detention without charges and trial"; 3) forced disappearance; and 4) "other flagrant denial of the right to life, liberty, or the security of person." Pursuant to this provision, the executive branch may make a determination that a foreign government has engaged in "a consistent pattern of gross violations of internationally recognized human rights" and is therefore ineligible for security assistance. As a general matter, the executive branch appears to have rarely restricted assistance pursuant to this provision. There is no statutory requirement for the executive branch to notify Congress when it chooses to unilaterally invoke 502B.

Pursuant to Section 502B(c), Congress also may, through a resolution of the House or Senate or by request of the Senate Foreign Relations Committee (SFRC) or House Foreign Affairs Committee (HFAC), require a report within 30 days from the Secretary of State concerning human rights in a specific country, including an assessment of whether extraordinary circumstances exist that necessitate a continuation of security assistance. After receiving such report, Congress, by joint resolution, may act to terminate, restrict, or continue security assistance to such country (See, "Early Congressional Attempts to Condition Aid"). In the Senate, a resolution would be privileged under section 601(b) of the International Security Assistance and Arms Export Control Act of 1976, allowing a Senator to discharge the resolution from the Senate Foreign Relations Committee after 10 days.

Human Rights Vetting (Leahy Law)

Section 620M of the FAA of 1961 (codified as 22 U.S.C. §2378d), as amended, prohibits the furnishing of assistance authorized by the FAA and the AECA to any foreign security force unit where there is credible information that the unit has committed a gross violation of human rights. The State Department and U.S. embassies overseas implement Leahy vetting to determine which foreign security individuals and units are eligible to receive U.S. assistance or training. Building on and consistent with provisions contained in FY2020 and FY2021 appropriations laws, Congress in 2022 amended 22 U.S.C. §2378d to address cases in which the specific unit(s) that will ultimately receive assistance cannot be identified prior to the transfer of assistance.²⁷³ For

²⁷¹ For example, see (among other sections), Section 502B, Human Rights (22 U.S.C. §2304), Section 505, Conditions of Eligibility (22 U.S.C. §2314), and Section 511, Considerations in Furnishing Military Assistance (22 U.S.C. §2321d)

²⁷² op.cit., (CRS In Focus IF11197, U.S. Arms Sales and Human Rights: Legislative Basis and Frequently Asked Questions).

²⁷³ The scale and nature of annual military aid to recipients such as Israel, Egypt, and Ukraine may at times be too (continued...)

such cases, the Secretary of State is to regularly provide the recipient government a list of units that are prohibited from receiving assistance and such assistance "shall only be made available subject to a written agreement that the recipient government will comply with such prohibition." The United States and Israel maintain such an agreement.²⁷⁴

Pursuant to 22 U.S.C. §2378d(d), the Secretary of State is required to establish and maintain certain procedures for collecting, validating, and preserving security assistance recipient and vetting information. The Secretary also is required to publicly identify those foreign security forces units that the department barred from U.S. assistance under the law unless the Secretary, "on a case-by-case basis, determines and reports" to the appropriate committees that public disclosure is not in the U.S. national security interest, and "provides a detailed justification for such determination." The prohibition of assistance to otherwise barred units may be excepted if the Secretary of State determines and reports to Congress that the foreign government "is taking effective steps to bring the responsible members of the security forces unit to justice." See also CRS In Focus IF10575, Global Human Rights: Security Forces Vetting ("Leahy Laws").

Some human rights advocates have argued that the State Department should make greater efforts to comply with the Leahy Law as it pertains to Israel, with some (including then-Senator Patrick Leahy)²⁷⁵ arguing that the department had effectively failed to apply the law.²⁷⁶ Since the October 7, 2023 Hamas-led attacks and the subsequent war in Gaza, some former State Department employees have asserted that the process and standards for determining whether allegations of human rights violations by Israeli units are credible are more onerous than for other recipients of U.S. military assistance.²⁷⁷ In response, then-Secretary of State Blinken denied that the United States had a double standard for Israel.²⁷⁸ Some Israeli officials have claimed that during the Gaza war, the State Department subjected Israel to higher levels of oversight than other aid recipients globally in their respective use of U.S. weapons.²⁷⁹

Allegations of Israeli Abuse of Prisoners and the Leahy Law

Within the IDF, the Military Advocate General Corps is responsible for implementing the rule of law and providing legal advice concerning the Law of Armed Conflict. Since the start of the Gaza war in 2023, the Corps has conducted various investigations of alleged human rights abuses by Israeli soldiers, police, and prison guards. After numerous allegations of abuse of Palestinian prisoners at the Sde Teiman detention facility located in the Negev desert, the State Department and the Corps began investigating Israeli prison guard behavior. According to one report, in 2024, the State Department had assessed that two Israeli military police units (Force 100 and Force 504) had engaged in credible reports of abuse of Palestinian detainees at Sde Teiman, but Secretary of State Blinken never made a determination that either unit would be ineligible for U.S. assistance. 280 After months of the Corps' investigating abuse allegations, in February 2025, an Israeli military court convicted an Israeli army reservist

broad for the U.S. State and/or Defense Department bureaucracies to identify individual users of U.S. defense equipment prior to its transfer.

²⁷⁴ U.S. Department of State, Treaties in Force, "Foreign Assistance, Agreement Between the United States of America and Israel," Entered into force December 30, 2021, Treaties and Other International Acts Series 21-1230.1.

²⁷⁵ Patrick Leahy, "I created the Leahy law. It should be applied to Israel," Washington Post, May 20, 2024.

²⁷⁶ Bryant Harris, "Pressure mounts on Biden to leverage human rights laws on Israel aid," *Defense News*, January 8, 2024.

²⁷⁷ See, Stephanie Kirchgaessner, "Different rules': special policies keep US supplying weapons to Israel despite alleged abuses," *The Guardian* (UK), January 18, 2024.

²⁷⁸ U.S. Department of State, Remarks, Antony J. Blinken, Secretary of State, April 22, 2024.

²⁷⁹ "US State Department officials were 'hostile' towards Israel during war, former envoy says – report," *Jerusalem Post*, March 2, 2025.

²⁸⁰ Missy Ryan, "U.S. declined to sanction Israeli military units over abuse finding," *Washington Post*, February 28, 2025.

of abusing Palestinian security detainees.²⁸¹ Weeks later, Israeli prosecutors indicted five reserve soldiers for severely abusing a Palestinian detainee at Sde Teiman detention facility.²⁸²

To date, there is no public record of the State Department having ever delivered to Israel a list of ineligible Israeli units for assistance; there have been State Department-led determinations of Israeli units committing gross violations of human rights, but these units retained their eligibility for military aid because the Biden Administration determined at the time that, Israel had taken, or was in the process of taking, steps to remediate the units' conduct. Some former State Department officials have argued that the actions taken did not meet the Leahy Law remediation standards as those are applied to other governments.²⁸³ The law (22 U.S.C. §2378d(b)) does not further define remediation, but the Departments of State and Defense have produced a joint remediation policy that centers on impartial and thorough investigations; credible judicial or administrative adjudications; and appropriate and proportional sentencing.²⁸⁴

Section 620I of the Foreign Assistance Act

In 1996, Congress amended the Foreign Assistance Act by adding Section 620I (22 U.S.C. §2378-1), which prohibits providing certain assistance to foreign countries that block or impede delivery of U.S. humanitarian assistance. ²⁸⁵ The President may waive the prohibition for national security reasons and must report to Congress prior to the use of a waiver. It is unclear how Section 620I determinations are made. The language of the provision appears to provide wide discretion to the executive branch.

During the war in Gaza, the Biden Administration was at times critical of some aspects of Israel's actions, including the October 2024 letter by Secretaries Blinken and Lloyd Austin that, according to an Administration spokesperson, "was simply meant to reiterate the sense of urgency we feel and the seriousness with which we feel it, about the need for an increase, a dramatic increase in humanitarian assistance." Some Members of Congress called upon President Biden to enforce Section 620I. There is no public record of the Biden Administration having done so.

Use of U.S. Funds Within Israel's Pre-June 1967 Borders

In some instances, U.S. assistance to Israel may be used only in areas subject to the administration of Israel prior to June 1967 (see "Loan Guarantees"). For example, State Department-provided Migration and Refugee Assistance (MRA, see "Migration and Refugee Assistance"), per agreement between the State Department and United Israel Appeal, may only

²⁸¹ Ruth Levush, "Israel: Reservist Convicted by Military Court of Abusing Detainees," *Global Legal Monitor*, Law Library of Congress, February 11, 2025.

²⁸² Emanuel Fabian and Jeremy Sharon, "5 IDF reservists indicted for severe abuse of Palestinian detainee at Sde Teiman," *Times of Israel*, February 19, 2025.

²⁸³ Charles O. (Cob) Blaha, "Israel and the Leahy Law," *Just Security*, June 10, 2024.

²⁸⁴ U.S. Department of State, "About the Leahy Law: Fact Sheet," January 20, 2025.

²⁸⁵ Section 620I made permanent a similar restriction that had been included as a year-to-year prohibition on the use of appropriated funds in previous appropriations acts.

²⁸⁶ See CBS News, "U.S. tells Israel, boost humanitarian aid to Gaza or risk losing weapons funding," October 15, 2024.

²⁸⁷ Representative Joaquin Castro, "As Humanitarian Crisis Mounts in Gaza, Senior House Democrats Urge President Biden to Enforce U.S. Law on Security Assistance to Israel," March 23, 2024; and "Reps. Crow, Dean, Houlahan Lead 74 Colleagues in Letter to the Biden Administration Seeking Assessment of Israel's Compliance with US Laws and Policies," December 12, 2024.

be used for absorption centers, *ulpanim* (intensive Hebrew-language schools, many of which are located at immigrant absorption centers and focus on immigrants to Israel), or youth *aliyah* (relocation to Israel) institutions located within Israel's pre-June 1967 area of control.²⁸⁸

Over the past five years, geographic restrictions within the rules and policies governing programs funded by the endowments of U.S.-Israeli binational foundations (see "The U.S.-Israeli Binational Foundations (BIRD, BARD, and BSF)" have fluctuated between the Trump and Biden Administrations. From the early 1970s until 2020, according to bilateral agreements between the U.S. and Israeli governments, no program funded by the endowments of U.S.-Israeli binational foundations could be "conducted in geographic areas which came under the administration of the Government of Israel after June 5, 1967."

In October 2020, the first Trump Administration announced that it had removed geographic restrictions from the founding agreements establishing the three main U.S.-Israeli binational foundations (BIRD, BARD, BSF), thereby permitting Israeli universities in the West Bank to apply for grant funding.²⁹⁰

In June 2023, the State Department, rather than reversing the Trump Administration's 2020 amendments to the binational foundations founding agreements, instead issued guidance to relevant U.S. Government agencies and officials that "it would not be consistent with U.S. foreign policy objectives to support bilateral scientific and technological cooperation with Israel in geographic areas which came under the administration of Israel after June 5, 1967, and which remain subject to final status negotiations between the parties.... This includes bilateral activities of the Binational Science Foundation (BSF), the Binational Industrial Research and Development Foundation (BIRD), and the Binational Agricultural Research and Development Fund (BARD)."²⁹¹

As of May 2025, the second Trump Administration has not publicly stated its stance on the issue.

Israeli Arms Transfers to Third Parties

Per Section 3(a) of the AECA (22 U.S.C. §2753) and Section 505(e) of the FAA (22 U.S.C. §2314), the U.S. government must review and approve any transfer of U.S.-origin equipment from a recipient to a third party that was not previously authorized in the original acquisition. ²⁹² Third Party Transfer (or TPT) is the retransfer of title, physical possession or control of defense

²⁸⁸ This stipulation is found in grant agreements between the U.S. State Department's Bureau of Population, Refugees, and Migration (PRM) and United Israel Appeal (clause 8. F. 2—Use in Territories Subject to the Administration of the State of Israel Prior to June 1967).

²⁸⁹ See, Article VIII Paragraph D, Agreement between the Government of the United States of America and the Government of Israel Establishing the Israel-United States Binational Industrial Research and Development Foundation.

²⁹⁰ Protocol Amending the Agreement Establishing the United States-Israel Binational Industrial Research and Development Foundation and the September 27, 1972 Exchange of Letters Related to the Agreement on the United States-Israel Binational Science Foundation and with Respect to the Agreement to Establish the United States-Israel Agricultural Research and Development Fund, October 28, 2020.

²⁹¹ CRS Correspondence with U.S. Department of State, Office of Israeli and Palestinian Affairs (NEA/IPA), June 26, 2023 and U.S. Department of State, Department Press Briefing, June 26, 2023.

²⁹² See U.S. Department of State, "Third Party Transfer Process and Documentation," Bureau of Political-Military Affairs, December 17, 2018.

articles from the authorized recipient to any person or organization not an employee, officer or agent of that recipient country.²⁹³

As previously mentioned, Israel is a major global manufacturer of armaments. It also possesses significant quantities of major U.S.-origin defense equipment stemming from its decades-old security partnership with the United States. In 2023, the United States approved Israel's exports of David's Sling to Finland and Arrow 3 to Germany.

Israel and China

Israel has ended any formal defense and or security ties to China. Two planned Israeli sales to China drew opposition from successive Administrations and from Congress (PHALCON airborne radar systems in 2000 and upgrade of Chinese Harpy Killer drone aircraft in 2004/2005).²⁹⁴ Apparently as a result of U.S. pressure on Israel to cease its long-standing and sometimes clandestine defense relationship with China, Israel created its own arms export control agency, known as the Defense Export Control Agency (DECA – see textbox "Israeli Exports of Spyware"). The United States and Israel signed a 2005 bilateral agreement, known as the "Declaration of Understanding on Technology Exports," whereby both countries pledged to ensure defense export transparency, with the United States pledging not to ban Israel's defense deals on commercial grounds, thus bolstering Israeli competitiveness globally.²⁹⁵

Israel does export weapons and other surveillance systems to some of China's neighbors and rivals. ²⁹⁶ According to one report, in March 2025 Israel Aerospace Industries sold Vietnam two spy satellites for \$680 million. ²⁹⁷

Bilateral Israeli-Chinese non-military commercial trade continues, as does Chinese investment in Israel. According to Israel's Central Bureau of Statistics, from 2021 to 2023, the total volume of bilateral trade between the countries averaged \$15.7 billion a year (see **Figure 16**). After the United States and the European Union (as a whole), China is Israel's third-largest trading partner. Chinese investment in Israel is predominantly in the technology sector, with companies such as Xiaomi, Lenovo, ChemChina, and Alibaba having a presence inside Israel. ²⁹⁸As successive Administrations and some Members of Congress have raised concerns about China's expanding global influence, Israeli security agencies, such as the Shin Bet and the National Security Bureau (NSB), have heightened scrutiny of China's investment in Israel. In late 2019, Israel created an advisory panel on foreign investment in Israel. ²⁹⁹ However, this panel reportedly does not have the authority to review investments in sectors such as high-tech that accounted for most of

²⁹³ See Defense Institute of Security Cooperation Studies, "The Management of Security Cooperation (Green Book)," edition 39, January 2019.

²⁹⁴ Representative Callahan of Alabama, then chairman of the Foreign Operations Subcommittee of the House Appropriations Committee, told a hearing on April 6, 2000, that he would block \$250 million in FY2001 military assistance to Israel unless Israel cancelled the PHALCON sale to China. Representative Callahan offered an amendment during a June 20 subcommittee markup to withhold \$250 million from the \$2.88 billion in total economic and military assistance proposed for Israel for FY2001, but the amendment failed by a vote of nine to six. See "Israel-China Radar Deal Opposed," *Washington Post*, April 7, 2000 and "U.S. Congressman: We'll Block Israeli Aid Unless China Deal Cancelled," *Jerusalem Post*, April 7, 2000.

²⁹⁵ "Israel, U.S. Draft Agreement for Openness, Equality in Arms Deals," *Ha'aretz*, June 27, 2005.

²⁹⁶ Yitzhak Shichor, "Out of Proportion: Israel's Paradox in China's Middle Eastern Policy," *Middle East Policy*, February 18, 2025.

²⁹⁷ Yossi Melman, "Wary of China, Vietnam to Buy Two Spy Satellites from Israel," *Ha'aretz*, March 2, 2025.

²⁹⁸ Divya Malhotra, "Israel-China economic diplomacy: The limits following the Hamas attack on Israel – opinion," *Jerusalem Post*, March 3, 2025.

²⁹⁹ Arie Egozi, "Israelis Create Foreign Investment Overseer; China Targeted," Breaking Defense, November 13, 2019.

China's investments in Israel in the previous decade.³⁰⁰ In 2022, Israel updated the regulations for this panel in an apparent effort to expand the range of reviewable investments, though the panel still does not have authority to review investment in the Israeli high-tech sector.³⁰¹

Additionally, U.S. officials have discouraged Chinese involvement in specific Israeli infrastructure projects. 302 After reported warnings from the first Trump Administration, Israeli officials apparently blocked Chinese companies from working on Israeli communications infrastructure such as 5G. 303 In February 2025, one report noted that Israel is investigating the possible participation of China's state-owned CRRC, or China Railway Rolling Stock Corporation, in various light rail project. 304

In 2021, after Israel had begun selling its state-owned ports to cut costs and improve vessel wait times, it opened a new terminal in Haifa (Bay Port Haifa) and awarded China's state-owned company the Shanghai International Port Group (SIPG) operation of the seaport for 25 years. China's state-owned presence at the port, where the U.S. 6th Fleet naval ships dock, drew scrutiny from both the Biden and first Trump Administrations. Haifa's older port is now run by India's Adani Group in a joint venture with Israel's Gadot Chemical Terminals; a new port terminal in Ashdod is run by a Switzerland-based company.

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³⁰⁰ Efron et al., *Chinese Investment in Israeli Technology*, 2020, pp. 24-25.

³⁰¹ U.S. Department of State, "2024 Investment Climate Statements: Israel"; "The Great Wall of China – Increasing Difficulty in Doing Business with China," *JDSupra*, November 10, 2022.

³⁰² "Amid US pressure, Israel taps local firm over China for \$1.5b desalination plant," *Times of Israel*, May 26, 2020.

³⁰³ Hiddai Segev and Assaf Orion, "The Great Power Competition over 5G Communications: Limited Success for the American Campaign against Huawei," Institute for National Security Studies, March 3, 2020.

³⁰⁴ Yuval Sadeh, "Shin Bet and National Intelligence Service investigate Chinese company's involvement in Jerusalem light rail work," *Mako* (Israel), February 25, 2025. See also, Asad Zagrizak, "Israel sends mixed messages to China on infrastructure projects," *Globes*, April 29, 2025.

³⁰⁵ Jack Detsch, "Pentagon repeats warning to Israel on Chinese port deal," *Al-Monitor*, August 7, 2019 and Arie Egozi, "US Presses Israel on Haifa Port amid China Espionage Concerns: Sources," *Breaking Defense*, October 5, 2021.

³⁰⁶ Asaf Zagrizak, "New regulation for Israel's ports underway," *Globes*, March 2, 2025.

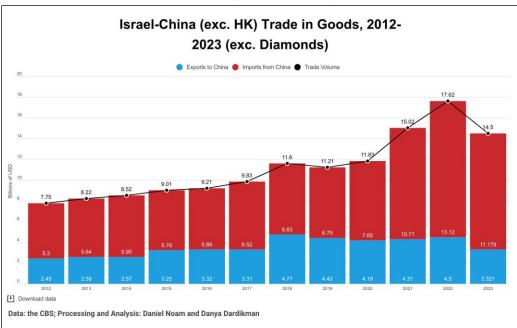


Figure 14. Israel-China Bilateral Trade

(excluding diamonds or HK)

Source: Tomer Fadlon, "Israel – China Trade Slump: Turning Point or Correction?" The Institute for National Strategic Studies (INSS), April 7, 2024.

Other Ongoing Assistance and Cooperative **Programs**

Migration and Refugee Assistance

Since 1973, Israel has received a total of approximately \$1.74 billion in grants from the State Department's Migration and Refugee Assistance account (MRA) to assist in the resettlement of migrants to Israel. The Funds are paid to the United Israel Appeal, a private philanthropic organization in the United States, which in turn transfers the funds to the Jewish Agency for Israel. Between 1973 and 1991, the United States provided about \$460 million for resettling Jewish refugees in Israel. From 1992 to 1999, after the collapse of the Soviet Union and the resettlement of hundreds of thousands of Jewish immigrants in Israel, MRA grants to Israel increased to almost \$80 million per year (\$630 million total). Since then, annual grants have decreased based at least in part on the declining number of Jews leaving the former Soviet Union and other areas for Israel (see Table 8). MRA assistance now largely supports Jews who have migrated from Ethiopia.

³⁰⁷ The MRA account is authorized by 22 U.S.C. §2601. Funding for the account comes from appropriations in the foreign operations appropriations bill.

³⁰⁸ The Jewish Agency for Israel's website is available at http://www.jafi.org.il/.

Table 8. Migration and Refugee Assistance Funding Levels for Israel

current U.S. dollars in millions

Fiscal Year	Total
FY2000-FY2012	\$519.3
FY2013	\$15.0
FY2014	\$15.0
FY2015	\$10.0
FY2016	\$10.0
FY2017	\$7.5
FY2018	\$7.5
FY2019	\$5.0
FY2020	\$5.0
FY2021	\$5.0
FY2022	\$5.0
FY2023	\$5.0
FY2024	\$5.0
Total	\$614.3

Source: U.S. State Department.

Congress has changed the directive language since the first refugee resettlement funds were appropriated in 1973. At first, the congressional language said the funds were for "resettlement in Israel of refugees from the Union of Soviet Socialist Republics and from Communist countries in Eastern Europe." But starting in 1985, the language was simplified to "refugees resettling in Israel," to ensure that Ethiopian Jews would be covered by the funding. Technically, the legislative language designates funds for refugee resettlement, but in Israel little differentiation is made between Jewish "refugees" and other Jewish immigrants, and the funds are used to support the absorption of all Jewish immigrants.

Loan Guarantees

Since 1972, the United States has extended loan guarantees to Israel to assist with housing shortages, Israel's absorption of new immigrants from the former Soviet Union and Ethiopia, and economic recovery following the 2000-2003 recession, which was probably caused in part by the Israeli-Palestinian conflict known as the second intifada. Loan guarantees are a form of indirect U.S. assistance to Israel; they enable Israel to borrow from commercial sources at lower rates. Israel has never defaulted on a U.S.-backed loan guarantee.

In 2003, then-Prime Minister Ariel Sharon requested an additional \$8 billion in loan guarantees to help the Israeli government stimulate Israel's then-ailing economy.³⁰⁹ P.L. 108-11, the FY2003 Emergency Wartime Supplemental Appropriations Act, authorized \$9 billion in loan guarantees over three years for Israel's economic recovery and \$1 billion in military grants. P.L. 108-11 stated that the proceeds from the loan guarantees could be used only within Israel's pre-June 5,

³⁰⁹ The loan guarantee request accompanied a request for an additional \$4 billion in military grants to help Israel prepare for possible attacks during an anticipated U.S. war with Iraq.

1967, area of control; that the annual loan guarantees would be reduced by an amount equal to the amount Israel spends on settlements outside of Israel's pre-June 1967 area of control; that Israel would pay all fees and subsidies; and that the President would consider Israel's economic reforms when determining terms and conditions for the loan guarantees.³¹⁰

On November 26, 2003, the Department of State announced that the \$3 billion in loan guarantees for FY2003 were reduced by \$289.5 million because Israel continued building settlements in the occupied territories and constructing of a security barrier separating key Israeli and Palestinian population centers. ³¹¹ In FY2005, the U.S. government reduced the amount available for Israel to borrow by an additional \$795.8 million. Since then, Israel has not borrowed any funds.

As of 2025, Israel had issued \$4.1 billion in U.S.-backed bonds. ³¹² After deducting the amounts mentioned above, Israel might still be authorized to issue up to \$3.814 billion in U.S.-backed bonds. If the Israeli government sought to issue new U.S.-backed bonds, it is unclear whether the loan guarantees available to Israel might be subject to reduction based on Israel's estimated cumulative subsequent expenditures for settlements in the West Bank. The original loan guarantee program authorization for Israel was through FY2005. Since then, Congress has extended the program seven times. ³¹³ The program is currently authorized through the end of FY2030.

American Schools and Hospitals Abroad Program (ASHA)

As of May 2025, following Trump Administration steps to reduce the role of the United States Agency for International Development (USAID) in providing foreign assistance and transfer some of the functions assigned to USAID to the Department of State, the status of the American Schools and Hospitals Abroad (ASHA) program is unclear. Due to recent Trump Administration changes to foreign assistance and USAID operations, all active ASHA grants to Israel-based institutions have been terminated, though it is possible they could be reinstated through alternative funding mechanisms.

For decades, the office of American Schools and Hospitals Abroad (ASHA) had been an organizational unit within the USAID that provided grants to schools, libraries, and medical centers that best demonstrate American ideals and practices abroad. ASHA had been providing support to institutions in the Middle East since 1957, and a number of universities and hospitals in Israel have been recipients of ASHA grants. Through appropriations bills, Congress had funded the ASHA program as part of the overall Development Assistance (DA) appropriation to USAID.

Institutions based in Israel combined receive \$3-\$5 million annually in ASHA grants. ASHA grant recipients in Israel/West Bank included the American Committee for Shaare Zedek Hospital in Jerusalem, Trustees of the Feinberg Graduate School, and the Nazareth Project, Inc.

³¹⁰ According to P.L. 108-11, "[Loan] guarantees may be issued under this section only to support activities in the geographic areas which were subject to the administration of the Government of Israel before June 5, 1967: *Provided further*, That the amount of guarantees that may be issued shall be reduced by an amount equal to the amount extended or estimated to have been extended by the Government of Israel during the period from March 1, 2003, to the date of issue of the guarantee, for activities which the President determines are inconsistent with the objectives and understandings reached between the United States and the Government of Israel regarding the implementation of the loan guarantee program: *Provided further*, That the President shall submit a report to Congress no later than September 30 of each fiscal year during the pendency of the program specifying the amount calculated under the preceding proviso and that will be deducted from the amount of guarantees authorized to be issued in the next fiscal year."

Department Press Releases and Documents, November 26, 2003.

312 This includes \$1.6 billion in FY2003; \$1.75 billion in FY2004; and \$750 million in FY2005.

³¹³ See Section 7034(k)(6) of P.L. 118-47, the Further Consolidated Appropriations Act, 2024.

According to the American Committee for Shaare Zedek Medical Center in Jerusalem, the hospital does not receive any funding from the Israeli government, and USAID/ASHA has helped to rebuild the emergency room, provide mammography equipment, and sponsor an angiography system. ³¹⁴ Since 1995, the Nazareth Project has received a total of \$10.3 million from ASHA and has allocated its most recent award for an expansion of its cardiac unit at Nazareth Hospital. ³¹⁵

Table 9. Recent ASHA Grants to Israeli Institutions

current U.S. dollars in millions

Fiscal Year	Grantee	Award
2024	Shaare Zedek Hospital	\$1.929
2024	Nazareth Project	\$1.995
2024	The Galilee Society	\$0.366
2023	Shaare Zedek Hospital	\$1.970
2023	Feinberg Graduate School	\$1.800
2023	Nazareth Project	\$1.500
2022	Shaare Zedek Hospital	\$1.359
2022	Feinberg Graduate School	\$1.275
2022	Nazareth Project	\$1.500

Source: Foreign Assistance.gov.

The U.S.-Israeli Binational Foundations (BIRD, BARD, and BSF)

For over 50 years, the United States and Israel have jointly maintained several binational foundations which actively fund a number of endeavors across multiple disciplines. The origin of these funds dates back to the early 1970s, when Israeli academics and business professionals began looking for ways to expand investment in Israel's nascent technology sector, which would later become the driving force in the country's economy. The United States and Israel launched several programs to stimulate Israeli industrial and scientific research, and Congress has on several occasions authorized and appropriated funds for this purpose to the following organizations:³¹⁶

• The BIRD Foundation (Israel-U.S. Binational Research & Development Foundation). BIRD, which was established in 1977, provides matchmaking services between Israeli and American companies in research and development with the goal of expanding cooperation between U.S. and Israeli private high-tech industries. The stated mission of the Foundation is "to stimulate, promote

³¹⁴ See https://acsz.org/usaid-asha/.

³¹⁵ See https://nazarethproject.org/wp-content/uploads/2024/11/fall2024News-final-1.pdf.

³¹⁶ With the exception of funding for specific fields of research (for example, see "U.S.-Israeli Energy Cooperation" section), Congress has not appropriated funding directly to the binational foundations for operational expenses since the mid-1980s. The foundations have been able to sustain grant making with interest earned from their respective endowments and fees (repayments) collected from companies who successfully profited after receiving research support from the foundations. Since its founding, BIRD has received \$117 million in fees from 477 companies.

³¹⁷ See https://www.birdf.com/. Congress helped establish BIRD's endowment with appropriations of \$30 million and \$15 million in 1977 (P.L. 95-26) and 1985 (P.L. 98-473), respectively. These grants were matched by the Israeli government for a total endowment of \$90 million.

and support joint (non-defense) industrial R&D of mutual benefit" to the two countries. Projects are supported in the areas of homeland security, communications, electronics, electro-optics, software, life sciences, and renewable and alternative energy, among others. According to the Foundation, it has awarded \$396 million in grants to 1,070 projects. Awards have typically have ranged from \$700,000 to \$900,000 and varied based on total project budget and other considerations. The recipients must provide at least 50% of the total project budget.

- The BSF Foundation (U.S.-Israel Binational Science Foundation). 320 BSF, which was started in 1972, promotes cooperation in scientific and technological research. Since 2012, BSF has partnered with the National Science Foundation (NSF) to jointly fund collaborative U.S.-Israeli scientific research. Since its founding, BSF has had 13,829 grantees. 321
- The BARD Foundation (Binational Agriculture and Research and Development Fund). BARD was created in 1978³²² and supports U.S.-Israeli cooperation in agricultural research.³²³ As of 2025, it has funded 1,450 projects and disbursed \$345 million in grants (typically three-year, \$310,000 grants). From 1977 to 2021, Congress appropriated half-a-million dollars annually for BARD in annual Agriculture Appropriations legislation.³²⁴ Starting in FY2022, BARD received an additional \$1 million annually and in FY2023 and FY2024, it received an additional half-a-million-dollar increase.³²⁵ In 2018, BARD signed a cooperative agreement with the National Institute of Food and Agriculture. Currently, the Israel Innovation Authority, BARD, and the Israeli Ministry of Finance are cooperating on a multi-year program to fund food and nutrition research.³²⁶
- In 1995, the United States and Israel established the U.S.-Israel Science and Technology Foundation (USISTF) to fund and administer projects mandated by the U.S.-Israel Science and Technology Commission (USISTC),³²⁷ a bilateral

³¹⁸ Eitan Ydilevich, "Building U.S.-Israel Economic Partnerships, The BIRD Model," Washington, DC, June 10, 2010, p. 2.

³¹⁹ BIRD Foundation, "What is BIRD?" available at https://www.birdf.com/what-is-bird/.

³²⁰ See https://www.bsf.org.il/. In 1972 and 1984, the United States and Israel contributed a total of \$100 million (\$50 million each) for BSF's endowment. The U.S. share (\$50 million) first came in 1972 in the form of a \$30 million accelerated Israeli repayment of earlier food aid debt to the United States. A second tranche followed in 1984 with \$20 million congressional appropriation (P.L. 98-473). According to the treaty establishing the Foundation, the Foundation shall use the interest, as well as any funds derived from its activities, for the operations of the Foundation.

³²¹ See https://www.bsf.org.il/about/scientific-achievements/.

³²² Congress originally authorized BARD in Section 1458(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. §3291(e)).

³²³ See http://www.bard-isus.com/. Congress helped establish BARD's endowment with appropriations of \$40 million and \$15 million in 1979 (P.L. 95-481) and 1985 (P.L. 98-473), respectively. These grants were matched by the State of Israel for a total endowment of \$110 million.

³²⁴ CRS correspondence with Center for International Programs (CIP), National Institute of Food and Agriculture, on May 1, 2024.

³²⁵ See, H.Rept. 118-124, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, 2024. Division B of the Joint Explanatory Statement accompanying P.L. 118-42, the Consolidated Appropriations Act, 2024 states that the language set forth in H.Rept. 118-124 and S.Rept. 118-44 carries the same weight as language included in this joint explanatory statement.

³²⁶ See https://innovationisrael.org.il/en/calls_for_proposal/bard-fund-food-and-nutrition-academic-collaborations/.

³²⁷ See http://usistf.org/. The U.S.-Israel Science and Technology Commission (USISTC) was established in 1993 to (continued...)

entity established jointly by the United States Department of Commerce and the Israel Ministry of Industry, Trade, and Labor in 1994 to foster scientific, technological, and economic cooperation between the two countries.

Since 2007, Congress has authorized and appropriated funds for the creation of new U.S.-Israeli cooperative programs in various fields. Most of these new programs fall under the administrative purview of the BIRD Foundation. They include the following:

U.S.-Israeli Energy Cooperation (BIRD Energy)

BIRD Energy is a cooperative program between the U.S. Department of Energy and the Israeli Ministry of Energy designed to further research in renewable energy and energy efficiency. It is nominally part of the BIRD Foundation. Congress authorized the creation of the program in Section 917 of P.L. 110-140, the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007. 328 Although the law did not appropriate any funds for joint research and development, it did establish a grant program to support research, development, and commercialization of renewable energy or energy efficiency. The law also authorized the Secretary of Energy to provide funds for the grant program as needed. Congress authorized funding for the program for seven years from the time of enactment, which was on December 19, 2007. Then, in December 2014, Congress passed P.L. 113-296, the United States-Israel Strategic Partnership Act of 2014, which reauthorized the U.S.-Israeli Energy Cooperation program for an additional 10 years, until September 30, 2024. In the 118th Congress, H.R. 9713, the BIRD Energy and U.S.-Israel Energy Center Reauthorization Act of 2024, would have reauthorized BIRD Energy through 2034. Through FY2024, Congress and the Administration have provided a total of \$29.7 million for BIRD Energy.³²⁹ As of 2023, total combined U.S. and Israeli investment in BIRD Energy for 61 signed projects stood at \$53.7 million.

U.S.-Israel Center of Excellence in Energy, Engineering and Water Technology (Energy Center)

In 2018, the U.S. Department of Energy and the Israeli Energy Ministry agreed to establish a new program known as the U.S.-Israel Center of Excellence in Energy, Engineering and Water Technology ("the Energy Center"). ³³⁰ To date, Congress has appropriated ³³¹ **\$28 million** for the center, and the Israeli government and private sector partners have matched those funds. ³³² The

facilitate cooperative ventures between high tech industries in the two countries. The goal of the program is to "to maximize the contribution of technology to economic growth." The U.S. and Israeli governments each committed \$15 million to the effort over three years for a total of \$30 million.

³²⁸ Congress first considered authorizing a program to expand U.S.-Israeli scientific cooperation in the field of renewable energy in legislation entitled, The United States-Israel Energy Cooperation Act (H.R. 1838—110th Congress).

³²⁹ Congress specifies funds for BIRD Energy in conference report language accompanying energy and water appropriations legislation. For FY2024, see Joint Explanatory Statement for Consolidated Appropriations Act, 2024; S.Rept. 118-72, and H.Rept. 118-126, H.R. 4394.

³³⁰ P.L. 113-296, the United States-Israel Strategic Partnership Act of 2014 (Section 12d), first authorized the creation of a joint United States-Israel Energy Center. The Energy Center was then first independently authorized as its own entity in Section 1280A(e) of the William M. (Mac) Thornberry National Defense Authorization Act for FY2021 (22 U.S.C. 8607(e)).

³³¹ For FY2024, see Joint Explanatory Statement for Consolidated Appropriations Act, 2024; S.Rept. 118-72, and H.Rept. 118-126, H.R. 4394.

³³² P.L. 114-322, the WIIN Act (Water Infrastructure Improvements for the Nation Act), called on the White House Office of Science and Technology Policy to develop a coordinated strategic plan that, among other things, strengthened (continued...)

Center focuses on fossil energy, energy storage, cyber, and the energy-water nexus; for each topic, there is a consortium of U.S. and Israeli companies and/or research institutions jointly performing research and development. To date, there have been 61 signed projects and total government funding for the Center of \$53.7 million.

BIRD Homeland Security (BIRD HLS)

The BIRD Foundation also manages the BIRD Homeland Security Program, a cooperative undertaking between the U.S. Department of Homeland Security (DHS) and the Israel Ministry of Public Security (MOPS) to further joint research of advanced technologies for Homeland Security.³³³ To date, Congress has provided a total of **\$17 million** in funding for BIRD HLS.³³⁴ Other examples of bilateral homeland security projects include search and rescue systems, wearable indoor positioning systems, and an artificial intelligence-based analytics video security solution used to protect public facilities.

BIRD Cyber

Israel is one of the global leaders in cybersecurity technology. According to one report from 2022, nearly 40% of private global investment in cybersecurity takes place in Israel. Section 1551 of P.L. 117-81, the National Defense Authorization Act for FY2022, required the Department of Homeland Security to establish a grant program to support U.S.-Israeli cooperation in cybersecurity research and commercialization of cybersecurity technology. The act authorized not less than \$6 million a year for such activities from FY2022 through FY2026. The BIRD Cyber program is a collaboration between the foundation, DHS, Israel's National Cyber Directorate, and private industry and academia. BIRD Cyber has identified various sectors of concentration, such as, among other things, secure architecture for protecting operational processes; and risk assessment solutions for airports. To date, Congress has appropriated \$12 million for BIRD Cyber.

[&]quot;research and development cooperation with international partners, such as the State of Israel, in the area of desalination technology."

³³³ The U.S.-Israel Strategic Partnership Act (P.L. 113-296) authorized the Secretary of Homeland Security, acting through the Director of the Homeland Security Advanced Research Projects Agency and with the concurrence of the Secretary of State, to enter into cooperative research pilot programs with Israel to enhance Israel's capabilities in border, maritime, and aviation security, explosives detection, and emergency services. In 2016, Congress passed P.L. 114-304, the United States-Israel Advanced Research Partnership Act of 2016, a law that permanently authorized the expansion of BIRD HLS to include cybersecurity technologies.

³³⁴ See H.Rept. 118-123 - Department of Homeland Security Appropriations Bill, 2024 (H.R. 4367). Division C of the Joint Explanatory Statement accompanying P.L. 118-47, the Further Consolidated Appropriations Act, 2024, encourage the Department of Homeland Security to continue supporting the BIRD HLS program, which "allows S&T to work with Israeli partners to develop innovative technology solutions for homeland security needs."

³³⁵ Sarah Zheng and Coco Liu, "The US Is Thwarting China's Love Affair With Israeli Tech," *Bloomberg*, July 12, 2022.

³³⁶ Yonah Jeremy Bob, "US- Israel joint cybersecurity investment announced," *Jerusalem Post*, July 4, 2022.

³³⁷ See H.Rept. 118-123 - Department of Homeland Security Appropriations Bill, 2024 (H.R. 4367). Division C of the Joint Explanatory Statement accompanying P.L. 118-47, the Further Consolidated Appropriations Act, 2024, encourage the Department of Homeland Security to continue supporting the U.S.-Israel Cybersecurity Cooperation enhancement program to "support cybersecurity research and development and demonstration and commercialization of cybersecurity technology."

Other Congressionally Authorized Cooperative Endeavors

The following is a list of other congressionally authorized cooperative endeavors between the United States and Israel:

- U.S.-Israel Cooperation in International Development In 1985, Congress first authorized (by amending Section 106 of the FAA) and appropriated foreign assistance funds to "finance cooperative projects among the United States, Israel, and developing countries."338 Based on this congressional mandate, USAID launched two programs in partnership with Israel: the Cooperative Development Program (CDP - training and technical assistance projects run by Israel in the developing world) and the Cooperative Development Research Program (CDR scientific research on problems of developing countries). 339 For nearly two decades, Israel used cash aid grants to train development personnel in Israel and in foreign nations. USAID phased out the CDP program after FY2003.³⁴⁰ Section 1278 of P.L. 116-283, the 2021 NDAA, further amended Section 106 of the FAA of 1961 (22 U.S.C. §2151d) to authorize \$2 million a year (FY2021-FY2023) to finance cooperative projects among "the United States, Israel, and developing countries that identify and support local solutions to address sustainability challenges relating to water resources, agriculture, and energy storage." To date, Congress has appropriated \$7 million for this program.³⁴¹ Given recent Trump Administration changes to USAID, the future status of this program is unclear.
- Health Technologies Cooperation³⁴² Section 1280A of P.L. 116-283, the 2021 NDAA, authorized \$4 million a year (FY2021-FY2023) for bilateral cooperation between the U.S. Department of Health and Human Services and the Government of Israel to focus on health technologies to address the challenge of the COVID-19 pandemic. After the expiration of the program, lawmakers continued funding for U.S.-Israeli health cooperation in FY2024 legislation (\$4 million).³⁴³ The Administration for Strategic Preparedness and Response (ASPR)

³³⁸ See Section 307 of P.L. 99-83, the International Security and Development Cooperation Act of 1985 and P.L. 98-473, the FY1985 Continuing Appropriations Act. This original legislative concept for U.S.-Israeli cooperation in international development came from the 98th Congress and was based on H.R. 5424, "A bill to provide for joint United States-Israeli development assistance projects."

³³⁹ USAID partnered with Mashav, Israel's Agency for International Development Cooperation in the Ministry of Foreign Affairs.

³⁴⁰ See Subcommittee on Foreign Operations, Export Financing, Related Programs, House Committee on Appropriations, Hearings on Foreign Operations, Export Financing, and Related Program, FY2004.

³⁴¹ See Division F of the Joint Explanatory Statement accompanying P.L. 118-47, the Further Consolidated Appropriations Act, 2024. Lawmakers specified \$3 million for USAID-Israel Development Cooperation.

³⁴² U.S.-Israeli health cooperation is long-standing. Since 1978, medical and health researchers from the U.S. Army and Israel Defense Forces have held the biennial Shoresh conference to share information on military operational medicine, infectious disease, and combat care. See, U.S. Army, U.S. and Israeli Collaboration at 20th Shoresh Meeting Promotes Advancement of CBRN Medical Countermeasure Development, December 8, 2022.

³⁴³ See Division D of the Joint Explanatory Statement accompanying P.L. 118-47, the Further Consolidated Appropriations Act, 2024. The Preparedness and Response Innovation program is a cooperative research and development program for health technologies broadly. In the 118th Congress, in the explanatory materials accompanying H.R. 5894, the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations bill, lawmakers directed \$4 million toward a bilateral cooperative program with the Government of Israel for the development of health technologies.

- manages the current program in conjunction with Duke University.³⁴⁴ To date, Congress has appropriated \$13.08 million for this cooperative health program.³⁴⁵
- Military Trauma Education and Training P.L.118-159, the FY2025 National Defense Authorization Act, authorizes the Secretary of State to establish a joint education and training program with appropriate personnel of the Medical Corps of the IDF to share best practices for general trauma care, among other things.

³⁴⁴ See https://researchfunding.duke.edu/aspr-preparedness-and-response-innovation-pri-israeli-bilateral-health-cooperative-program. Reorganization of the U.S. Department of Health and Human Services announced in March 2025 would move the Administration for Strategic Preparedness and Response to the Centers for Disease Control and Prevention.

 $^{^{\}rm 345}$ See Division H of the FY2023 Consolidated Appropriations Act.

Appendix A. Israel and Recent Legislation

The following tables (**Table A-1** and **Table A-2**) delineate all U.S. foreign aid authorized and appropriated by Congress for Israel for fiscal years (FY) 2024 and 2025. They include U.S. foreign military aid and funding for joint missile defense pledged to Israel as part of the ongoing 10-year, \$38 billion Memorandum of Understanding (MOU) on military aid, covering FY2019 to FY2028. Under the terms of the MOU, successive administrations have requested from Congress **\$3.3 billion** in Foreign Military Financing (FMF) per year for Israel and **\$500 million** in joint missile defense programs (**\$3.8 billion total**). MOU-related authorizations³⁴⁶ and appropriations totaling \$3.8 billion are in *italics* within each cell. Items relating to U.S. funding for joint defense and nondefense cooperative programs, but that fall outside the MOU, are not in italics. Supplemental assistance is not in italics.

Table A-1. P.L. 119-4, the FY2025 Continuing Resolution

Section Title	Description	Appropriation Amount
Section 11206(1)	Specifies FY2025 FMF for Off-Shore Procurement for Israel (per the terms of the MOU).	\$450.3 million
Section 11208(c)	Reauthorizes loan guarantees to Israel through 2030.	n/a
Section 11208(d)	Reauthorizes annual global funding caps for foreign stockpiles, including WRSA-I through FY2027.	n/a

Source: Congress.gov.

Notes: Italics indicates amounts in line with the U.S.-Israel MOU on assistance.

Table A-2. P.L. 118-159, the FY2025 National Defense Authorization Act

Section Title	Description	Authorization Amount \$110 million	
Section 1644 - Iron Dome short-range rocket defense system and Israeli cooperative missile defense program co-development and co-production	Authorizes not more than \$110 million to the Government of Israel to procure components for the Iron Dome short-range rocket defense system through co-production of such components in the United States by industry of the United States.		
	Authorizes "not more than" \$40 million for Israel to procure components for the David's Sling Weapon System through coproduction in the United States.	\$40 million	
	Authorizes "not more than" \$50 million for Israel to procure components for the Arrow 3 Upper Tier Interceptor Program through co-production in the United States.	\$50 million	

³⁴⁶ Congress authorized FMF for Israel for every fiscal year through FY2028 in P.L. 116-283, the William M. (Mac) Thornberry National Defense Authorization Act for FY2021.

Section Title	Description	Authorization Amount
Section 4201 - Research, Development, Test, and Evaluation	Authorizes \$300 of the remaining \$500 million in MOU-pledged joint missile defense programs for U.Slsraeli cooperation.	\$300 million
Section 4201 - Research, Development, Test, and Evaluation	Authorizes Combating Terrorism Technology Support funds, including increases to the U.SIsraeli antitunneling program above the President's request.	\$30 million
Section 4201 - Research, Development, Test, and Evaluation	Authorizes Combating Terrorism Technology Support funds, including \$47.5 million for U.SIsrael cooperation on emerging defense technologies.	\$47.5 million

Source: Congress.gov.

Notes: *Italics* indicates amounts in line with the U.S.-Israel MOU on assistance. The act also raised the authorization cap on the anti-tunneling program to \$80 million annually.

Table A-3. P.L. I 18-50, Making emergency supplemental appropriations for the fiscal year ending September 30, 2024

Section Title	Description	Appropriation Amount
Title I Department of Defense, Procurement, Defense-Wide	Procurement of the Iron Dome and David's Sling defense systems to counter short-range rocket threats.	\$4 billion
Title I Department of Defense, Procurement, Defense-Wide	Procurement of the Iron Beam defense system to counter short-range rocket threats.	\$1.2 billion
Title III Department of State and Related Agency, Funds Appropriated to the President, Foreign Military Financing	FMF to remain available until September 30, 2025, for assistance for Israel of which up to \$769.3 million may be available for the procurement in Israel of defense articles (this limitation may be exceeded, if agreed by the United States and Israel, following consultation with the Committees on Appropriations). Any congressional notification requirement applicable to funds made available under this heading in this division for Israel may be waived if the Secretary of State determines that to do so is in the national security interest of the United States.	\$3.5 billion
General Provisions, Section 305	Amends WRSA-I authorization.	n/a
General Provisions, Section 306	For FY2024 only, eliminates any caps on U.S. additions to WRSA-I.	n/a

Source: Congress.gov.

Table A-4. P.L. I 18-47, the Further Consolidated Appropriations Act, FY2024

Bill Text, House/Senate Report Language, or Joint Explanatory		.	Appropriation
Statement (JES) Bill Text	Division A, Department of Defense Appropriations Act, Section 8072,	Appropriates \$500 million for Israeli cooperative programs, including \$80 million for Iron Dome, \$127	\$500 million
		million for David's Sling, \$80 million for Arrow III, and \$173 million for Arrow II.	
Bill Text	Division F - Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024, Migration and Refugee Assistance	Provides \$5 million in grants from the State Department's Migration and Refugee Assistance account (MRA) to assist in the resettlement of migrants to Israel.	\$5 million
Bill Text	Division F - Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024, Special Provisions, Section 7034 (k)(6)	Extends the authorization of loan guarantees to Israel through FY2029.	n/a
Bill Text	Division F - Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024, Middle East and North Africa, Section 7041 (d)	Provides "not less than" \$3.3 billion in FMF grants for Israel. These funds must be disbursed within 30 days after the bill's enactment. Of the \$3.3 billion, \$725.3 million is for use in Israel, also known as off-shore procurement (OSP).	\$3.3 billion
JES	Division F - State, Foreign Operations, and Related Programs Appropriations Act, 2024	USAID-Israel development cooperation.	\$3 million
JES	Division A - Defense Appropriations Act, 2024	Combating Terrorism Technology Support – U.SIsraeli Counter- Tunneling Program.	\$47.5 million
JES	Division A - Defense Appropriations Act, 2024	Combating Terrorism Technology Support – U.SIsraeli Counter- Unmanned Aerial Systems and Directed Energy Program.	\$40 million

Bill Text, House/Senate Report Language, or Joint Explanatory Statement (JES)	Section Title	Description	Appropriation Amount
JES	Division D - Labor, Health and Human Services, Education and Related Agencies Appropriations Act, 2024 Congress,	Health Technologies Cooperative Program, Preparedness and Response Innovation	\$4 million
Report Language	Division C – Homeland Security Appropriations Act, 2024, The joint explanatory statement accompanying this division is approved and indicates congressional intent. Unless otherwise noted, the language set forth in House Report 118-123 and Senate Report 118-85 carries the same weight as language included in this joint explanatory statement and should be complied with unless specifically addressed to the contrary in this joint	Provides \$6 million for U.SIsrael Cybersecurity Cooperation grant program	\$6 million
Report Language	explanatory statement. Division C – Homeland Security Appropriations Act, 2024, The joint explanatory statement accompanying this division is approved and indicates congressional intent. Unless otherwise noted, the language set forth in House Report 118-123 and Senate Report 118-85 carries the same weight as language included in this joint explanatory statement and should be complied with unless specifically addressed to the contrary in this joint explanatory statement.	Provides BIRD Homeland Security (BIRD HLS) Program.	\$2 million

Source: Congress.gov.

Notes: Italics indicates amounts in line with the U.S.-Israel MOU on assistance.

Appendix B. Emergency or Supplemental Aid to Israel

Table B-I. Emergency or Supplemental Aid to Israel

Date Enacted	Bill Name (Public Law)	Congressional Action
December 26, 1973	Emergency Security Assistance Act of 1973 (P.L. 93-199)	Congress appropriated \$2.2 billion for emergency military assistance or foreign military sales credits.
August 15, 1985	Supplemental Appropriations Act, 1985 (P.L. 99-88)	 Congress appropriated \$1.5 billion in ESF for Israel and which was made available as cash grant transfers (for Egypt too).
November 5, 1990	Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (P.L. 101-513)	 Congress appropriated \$1.2 billion in ESF as a cash transfer and specified that up to \$200 million, during the period of the Desert Shield emergency, could be used by Israel.
March 28, 1991	Emergency Supplemental Assistance for Israel Act of 1991 (P.L.102-21)	 Congress appropriated \$650 million in ESF to Israel as a cash transfer for additional costs resulting from the conflict in the Persian Gulf region.
October 6, 1992	Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993 (P.L. 102-391)	 Congress authorized up to \$10 billion in loan guarantees to Israel from FY1993 to FY1997 as a result of "Israel's extraordinary humanitarian effort to resettle and absorb immigrants into Israel from the republics of the former Soviet Union, Ethiopia and other countries."
April 26, 1996	Omnibus Consolidated Rescissions and Appropriations Act of 1996 (P.L. 104-134)	 Congress appropriated \$50 million to Israel "for emergency expenses necessary to meet unanticipated needs for the acquisition and provision of goods, services, and/or grants for Israel necessary to support the eradication of terrorism in and around Israel."
August 2, 2002	2002 Supplemental Appropriations Act for Further Recovery From and Response To Terrorist Attacks on the United States (P.L. 107-206)	 Congress appropriated \$200 million in ESF for Israel, "all or a portion of which may be transferred to, and merged with, funds appropriated by this act under the heading `nonproliferation, anti-terrorism, demining and related programs' for defensive, non- lethal anti-terrorism assistance."
April 16, 2003	Emergency Wartime Supplemental Appropriations Act (P.L. 108-11 FY2003)	 Congress authorized \$9 billion in loan guarantees for Israel. Congress appropriated \$1 billion in FMF for Israel.
August 4, 2014	Emergency Supplemental Appropriations Resolution, 2014 (P.L.113-145)	 Congress appropriated \$225 million to Israel for the Iron Dome defense system in support of Operation Protective Edge.

Date Enacted	Bill Name (Public Law)	Congressional Action
March 15, 2022	H.R.2471 - Consolidated Appropriations Act, 2022 (P.L.117-103)	• Congress appropriated \$1 billion to Israel for the Iron Dome defense systems for FY2022-FY2024.
		 In addition to other funding for Israel, the bill also provided \$108 million in Iron Dome appropriations from the annual Defense Department's Procurement, Defense-Wide and Research, Development, Test and Evaluation Defense-Wide accounts.
April 4, 2024	Making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes (P.L.118-50)	 Congress appropriated \$3.5 billion in FMF for Israel (\$769.3 million or more of which may be spent on Israeli equipment) and \$5.2 billion in defense appropriations for missile defense (\$4 billion) and Israel's new laser defense system, Iron Beam (\$1.2 billion).

Source: http://www.congress.gov.

Appendix C. Common Acronyms and Abbreviations used in this Report

AECA Arms Export Control Act

DOD Department of Defense

DSCA Defense Security Cooperation Agency

ESF Economic Support Fund

FAA Foreign Assistance Act

FMF Foreign Military Financing

FMS Foreign Military Sale

HFAC House Foreign Affairs Committee

IDF Israel Defense Forces

LOA Letter of Offer and Acceptance

MOU Memorandum of Understanding

MRA Migration and Refugee Assistance

NDAA National Defense Authorization Act

OSP Off-Shore Procurement
QME Qualitative Military Edge

SFOPS Department of State, Foreign Operations, and Related Programs

SFRC Senate Foreign Relations Committee

UAE United Arab Emirates

USAID U.S. Agency for International Development

WRSA War Reserves Stock Allies

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