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IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 2018

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

AN ACT

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

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

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “United States-Israel Security Assistance Authorization
4 Act of 2018”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

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

TITLE I—SECURITY ASSISTANCE FOR ISRAEL

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

TITLE II—ENHANCED UNITED STATES-ISRAEL COOPERATION

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

TITLE III—ENSURING ISRAEL’S QUALITATIVE MILITARY EDGE

- Sec. 301. Statement of policy.

7 **SEC. 2. APPROPRIATE CONGRESSIONAL COMMITTEES DE-**
8 **FINED.**

9 In this Act, the term “appropriate congressional com-
10 mittees” means—

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

1 (2) the Committee on Foreign Affairs and the
2 Committee on Armed Services of the House of Rep-
3 resentatives.

4 **TITLE I—SECURITY ASSISTANCE**
5 **FOR ISRAEL**

6 **SEC. 101. FINDINGS.**

7 Congress makes the following findings:

8 (1) In February 1987, the United States grant-
9 ed Israel major non-NATO ally status.

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

15 (3) On July 27, 2012, the United States-Israel
16 Enhanced Security Cooperation Act of 2012 (Public
17 Law 112–150; 22 U.S.C. 8601 et seq.) declared it
18 to be the policy of the United States “to help the
19 Government of Israel preserve its qualitative military
20 edge amid rapid and uncertain regional political
21 transformation” and stated the sense of Congress
22 that the United States Government should “provide
23 the Government of Israel defense articles and de-
24 fense services through such mechanisms as appro-

1 appropriate, to include air refueling tankers, missile de-
2 fense capabilities, and specialized munitions”.

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

12 (5) Section 1679 of the National Defense Au-
13 thorization Act for Fiscal Year 2016 (Public Law
14 114–92; 129 Stat. 1135) authorized funds to be ap-
15 propriated for Israeli cooperative missile defense
16 program codevelopment and coproduction, including
17 funds to be provided to the Government of Israel to
18 procure the David’s Sling weapon system as well as
19 the Arrow 3 Upper Tier Interceptor Program.

20 (6) On September 14, 2016, the United States
21 and Israel signed a ten-year Memorandum of Under-
22 standing reaffirming the importance of continuing
23 annual United States military assistance to Israel
24 and cooperative missile defense programs in a way

1 that enhances Israel's security and strengthens the
2 bilateral relationship between the two countries.

3 (7) The 2016 Memorandum of Understanding
4 reflected United States support of Foreign Military
5 Financing (FMF) grant assistance to Israel over the
6 ten year period beginning in fiscal year 2019 and
7 ending in fiscal year 2028. FMF grant assistance
8 would be at a level of \$3,300,000,000 annually, to-
9 taling \$33,000,000,000, the largest single pledge of
10 military assistance ever and a reiteration of the
11 seven-decade, unshakeable, bipartisan commitment
12 of the United States to Israel's security.

13 (8) The Memorandum of Understanding also
14 reflected United States support for funding for coop-
15 erative programs to develop, produce, and procure
16 missile, rocket, and projectile defense capabilities
17 over a ten year period beginning in fiscal year 2019
18 and ending in fiscal year 2028 at a level of
19 \$500,000,000 per year, totaling \$5,000,000,000.

20 **SEC. 102. STATEMENT OF POLICY REGARDING ISRAEL'S DE-**
21 **FENSE SYSTEMS.**

22 It shall be the policy of the United States to provide
23 assistance to the Government of Israel in order to support
24 funding for cooperative programs to develop, produce, and
25 procure missile, rocket, projectile, and other defense capa-

1 bilities to help Israel meet its security needs and to help
2 develop and enhance United States defense capabilities.

3 **SEC. 103. ASSISTANCE FOR ISRAEL.**

4 (a) AUTHORIZATION OF APPROPRIATIONS FOR
5 ISRAEL.—Section 513(c) of the Security Assistance Act
6 of 2000 (Public Law 106–280; 114 Stat. 856) is amend-
7 ed—

8 (1) in paragraph (1), by striking “2002 and
9 2003” and inserting “2019, 2020, 2021, 2022,
10 2023, 2024, 2025, 2026, 2027, and 2028”;

11 (2) in paragraph (2)—

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

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

16 **SEC. 104. EXTENSION OF WAR RESERVES STOCKPILE AU-**
17 **THORITY.**

18 (a) DEPARTMENT OF DEFENSE APPROPRIATIONS
19 ACT, 2005.—Section 12001(d) of the Department of De-
20 fense Appropriations Act, 2005 (Public Law 108–287;
21 118 Stat. 1011) is amended by striking “after September
22 30, 2018” and inserting “after September 30, 2023”.

23 (b) FOREIGN ASSISTANCE ACT OF 1961.—Section
24 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22
25 U.S.C. 2321h(b)(2)(A)) is amended by striking “2013,

1 2014, 2015, 2016, 2017, and 2018” and inserting “2018,
2 2019, 2020, 2021, 2022, and 2023.”.

3 **SEC. 105. EXTENSION OF LOAN GUARANTEES TO ISRAEL.**

4 Chapter 5 of title I of the Emergency Wartime Sup-
5 plemental Appropriations Act, 2003 (Public Law 108–11;
6 117 Stat. 576) is amended under the heading “LOAN
7 GUARANTEES TO ISRAEL”—

8 (1) in the matter preceding the first proviso, by
9 striking “September 30, 2019” and inserting “Sep-
10 tember 30, 2023”; and

11 (2) in the second proviso, by striking “Sep-
12 tember 30, 2019” and inserting “September 30,
13 2023”.

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

16 (a) IN GENERAL.—The President, acting through the
17 Secretary of State and the Secretary of Defense, is author-
18 ized to conduct a joint assessment with the Government
19 of Israel with respect to the matters described in sub-
20 section (b).

21 (b) MATTERS DESCRIBED.—The matters described
22 in this subsection are the following:

23 (1) The quantity and type of precision guided
24 munitions that are necessary for Israel to combat

1 Hezbollah in the event of a sustained armed con-
2 frontation between Israel and Hezbollah.

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

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

10 (4) United States plans to assist Israel to pre-
11 pare for sustained armed confrontations described in
12 this subsection as well as the ability of the United
13 States to resupply Israel with precision guided muni-
14 tions in the event of confrontations described in
15 paragraphs (1) and (2), if any.

16 (5) The current United States inventory of the
17 precision guided munitions described in paragraphs
18 (1) and (2), and an assessment whether such inven-
19 tory meets the United States total munitions re-
20 quirement.

21 (c) REPORT.—

22 (1) IN GENERAL.—Not later than 15 days after
23 the date on which the joint assessment authorized
24 under subsection (a) is completed, the President

1 shall submit to the appropriate congressional com-
2 mittees a report that contains the joint assessment.

3 (2) FORM.—The report required under para-
4 graph (1) shall be submitted in unclassified form,
5 but may contain a classified annex.

6 **SEC. 107. TRANSFER OF PRECISION GUIDED MUNITIONS TO**
7 **ISRAEL.**

8 (a) IN GENERAL.—Notwithstanding section 514 of
9 the Foreign Assistance Act of 1961 (22 U.S.C. 2321h),
10 the President is authorized to sell such quantities of preci-
11 sion guided munitions from reserve stocks to Israel as nec-
12 essary for legitimate self-defense and otherwise consistent
13 with the purposes and conditions for such sales under the
14 Arms Export Control Act (22 U.S.C. 2751 et seq.).

15 (b) CERTIFICATIONS.—Except in case of emergency,
16 not later than 5 days before making a sale under this sec-
17 tion, the President shall certify in an unclassified notifica-
18 tion to the appropriate congressional committees that the
19 sale of the precision guided munitions—

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

23 (2) does not harm the combat readiness of the
24 United States or the ability of the United States to

1 meet its commitment to allies for the transfer of
2 such munitions; and

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

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

7 (a) REQUIREMENT TO ESTABLISH PROCEDURES.—

8 (1) IN GENERAL.—Section 806(a) of the Bob
9 Stump National Defense Authorization Act for Fis-
10 cal Year 2003 (10 U.S.C. 2302 note; Public Law
11 107–314) is amended—

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

14 (B) in paragraph (2), by striking the pe-
15 riod at the end and inserting “; or”; and

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

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

20 “(A) for United States counterterrorism
21 missions; or

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

24 “(i) an organization the Secretary of
25 State has designated as a foreign terrorist

1 organization pursuant to section 219 of the
2 Immigration and Nationality Act (8 U.S.C.
3 1189); or

4 “(ii) a country the government of
5 which the Secretary of State has deter-
6 mined, for purposes of section 6(j) of the
7 Export Administration Act of 1979 (50
8 U.S.C. 4605(j)) (as in effect pursuant to
9 the International Emergency Economic
10 Powers Act), section 620A of the Foreign
11 Assistance Act of 1961 (22 U.S.C. 2371),
12 section 40 of the Arms Export Control Act
13 (22 U.S.C. 2780), or any other provision
14 of law, is a government that has repeatedly
15 provided support for acts of international
16 terrorism.”.

17 (2) PRESCRIPTION OF PROCEDURES.—Not later
18 than 180 days after the date of the enactment of
19 this Act, the Secretary of Defense shall prescribe
20 procedures for the rapid acquisition and deployment
21 of supplies and associated support services for pur-
22 poses described in paragraph (3) of section 806(a)
23 of the Bob Stump National Defense Authorization
24 Act for Fiscal Year 2003, as added by paragraph
25 (1)(A) of this subsection.

1 (b) USE OF AMOUNTS IN SPECIAL DEFENSE ACQUI-
2 SITION FUND.—Section 114(c)(3) of title 10, United
3 States Code, is amended by inserting before the period at
4 the end the following: “or to assist an ally of the United
5 States that is under direct missile threat, including from
6 a terrorist organization supported by Iran, and such
7 threat adversely affects the safety and security of such
8 ally”.

9 **SEC. 109. ELIGIBILITY OF ISRAEL FOR THE STRATEGIC**
10 **TRADE AUTHORIZATION EXCEPTION TO CER-**
11 **TAIN EXPORT CONTROL LICENSING RE-**
12 **QUIREMENTS.**

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

15 (1) Israel has adopted high standards in the
16 field of export controls.

17 (2) Israel has declared its unilateral adherence
18 to the Missile Technology Control Regime, the Aus-
19 tralia Group, and the Nuclear Suppliers Group.

20 (3) Israel is a party to—

21 (A) the Convention on Prohibitions or Re-
22 strictions on the Use of Certain Conventional
23 Weapons which may be Deemed to be Exces-
24 sively Injurious or to Have Indiscriminate Ef-
25 fects, signed at Geneva October 10, 1980;

1 (B) the Protocol for the Prohibition of the
2 Use in War of Asphyxiating, Poisonous or
3 Other Gases, and of Bacteriological Methods of
4 Warfare, signed at Geneva June 17, 1925; and

5 (C) the Convention on the Physical Protec-
6 tion of Nuclear Material, adopted at Vienna Oc-
7 tober 26, 1979.

8 (4) Section 6(b) of the United States-Israel
9 Strategic Partnership Act of 2014 (22 U.S.C. 8603
10 note) directs the President, consistent with the com-
11 mitments of the United States under international
12 agreements, to take steps so that Israel may be in-
13 cluded in the list of countries eligible for the stra-
14 tegic trade authorization exception under section
15 740.20(c)(1) of title 15, Code of Federal Regula-
16 tions, to the requirement for a license for the export,
17 reexport, or in-country transfer of an item subject to
18 controls under the Export Administration Regula-
19 tions.

20 (b) REPORT ON ELIGIBILITY FOR STRATEGIC TRADE
21 AUTHORIZATION EXCEPTION.—

22 (1) IN GENERAL.—Not later than 120 days
23 after the date of the enactment of this Act, the
24 President shall submit to the appropriate congres-
25 sional committees a report that—

1 (A) describes the steps taken to include
2 Israel in the list of countries eligible for the
3 strategic trade authorization exception as re-
4 quired under 6(b) of the United States-Israel
5 Strategic Partnership Act of 2014 (22 U.S.C.
6 8603 note; Public Law 113–296); and

7 (B) includes what steps are necessary for
8 Israel to be included in such a list of countries
9 eligible for the strategic trade authorization ex-
10 ception.

11 (2) FORM.—The report required under para-
12 graph (1) shall be submitted in unclassified form,
13 but may contain a classified annex.

14 **TITLE II—ENHANCED UNITED**
15 **STATES-ISRAEL COOPERATION**

16 **SEC. 201. UNITED STATES-ISRAEL SPACE COOPERATION.**

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

19 (1) Authorized in 1958, the National Aero-
20 nautics and Space Administration (NASA) supports
21 and coordinates United States Government research
22 in aeronautics, human exploration and operations,
23 science, and space technology.

24 (2) Established in 1983, the Israel Space Agen-
25 cy (ISA) supports the growth of Israel’s space indus-

1 try by supporting academic research, technological
2 innovation, and educational activities.

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

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

10 (5) Since 1996, NASA and the ISA have suc-
11 cessfully cooperated on many space programs sup-
12 porting the Global Positioning System and research
13 related to the sun, earth science, and the environ-
14 ment.

15 (6) The bond between NASA and the ISA was
16 permanently forged on February 1, 2003, with the
17 loss of the crew of STS-107, including Israeli Astro-
18 naut Ilan Ramon.

19 (7) On October 13, 2015, the United States
20 and Israel signed the Framework Agreement be-
21 tween the National Aeronautics and Space Adminis-
22 tration of the United States of America and the
23 Israel Space Agency for Cooperation in Aeronautics
24 and the Exploration and Use of Airspace and Outer
25 Space for Peaceful Purposes.

1 (b) CONTINUING COOPERATION.—The Administrator
2 of the National Aeronautics and Space Administration
3 shall continue to work with the Israel Space Agency to
4 identify and cooperatively pursue peaceful space explo-
5 ration and science initiatives in areas of mutual interest,
6 taking all appropriate measures to protect sensitive infor-
7 mation, intellectual property, trade secrets, and economic
8 interests of the United States.

9 **SEC. 202. UNITED STATES AGENCY FOR INTERNATIONAL**
10 **DEVELOPMENT-ISRAEL ENHANCED PART-**
11 **nership FOR DEVELOPMENT COOPERATION**
12 **IN DEVELOPING NATIONS.**

13 (a) STATEMENT OF POLICY.—It should be the policy
14 of the United States Agency for International Develop-
15 ment (USAID) to partner with Israel in order to advance
16 common goals across a wide variety of sectors, including
17 energy, agriculture and food security, democracy, human
18 rights and governance, economic growth and trade, edu-
19 cation, environment, global health, and water and sanita-
20 tion.

21 (b) MEMORANDUM OF UNDERSTANDING.—The Ad-
22 ministrator of the United States Agency for International
23 Development is authorized to enter into memoranda of un-
24 derstanding with Israel in order to enhance coordination
25 on advancing common goals on energy, agriculture and

1 food security, democracy, human rights and governance,
2 economic growth and trade, education, environment, glob-
3 al health, and water and sanitation with a focus on
4 strengthening mutual ties and cooperation with nations
5 throughout the world.

6 **SEC. 203. AUTHORITY TO ENTER INTO A COOPERATIVE**
7 **PROJECT AGREEMENT WITH ISRAEL TO**
8 **COUNTER UNMANNED AERIAL VEHICLES**
9 **THAT THREATEN THE UNITED STATES OR**
10 **ISRAEL.**

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

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

16 (2) According to a press report, the unmanned
17 aerial vehicle was in Israeli airspace for a minute
18 and a half before being shot down by its air force.

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

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

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

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

9 (3) efforts to counter unmanned aerial vehicles
10 should include the feasibility of utilizing directed en-
11 ergy and high powered microwave technologies,
12 which can disable vehicles without kinetic destruc-
13 tion; and

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

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

19 (1) **IN GENERAL.**—The President is authorized
20 to enter into a cooperative project agreement with
21 Israel under the authority of section 27 of the Arms
22 Export Control Act (22 U.S.C. 2767), to carry out
23 research on, and development, testing, evaluation,
24 and joint production (including follow-on support)
25 of, defense articles and defense services, such as the

1 use of directed energy or high powered microwave
2 technology, to detect, track, and destroy unmanned
3 aerial vehicles that threaten the United States or
4 Israel.

5 (2) APPLICABLE REQUIREMENTS.—The cooper-
6 ative project agreement described in paragraph (1)
7 shall—

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

10 (i) the applicable requirements de-
11 scribed in subparagraphs (A), (B), and (C)
12 of section 27(b)(2) of the Arms Export
13 Control Act (22 U.S.C. 2767(b)(2)); and

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

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

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

25 (d) REPORT ON COOPERATION.—

1 (1) REPORT REQUIRED.—Not later than 90
2 days after the date of the enactment of this Act, the
3 Secretary of Defense shall submit to the congress-
4 sional defense committees (as that term is defined in
5 section 101(a) of title 10, United States Code), the
6 Committee on Foreign Relations of the Senate, and
7 the Committee on Foreign Affairs of the House of
8 Representatives a report describing the cooperation
9 of the United States with Israel with respect to
10 countering unmanned aerial systems that includes
11 each of the following:

12 (A) An identification of specific capability
13 gaps of the United States and Israel with re-
14 spect to countering unmanned aerial systems.

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

19 (C) An assessment of the projected cost for
20 research and development efforts for such coop-
21 erative projects, including an identification of
22 those to be conducted in the United States, and
23 the timeline for the completion of each such
24 project.

1 (D) An assessment of the extent to which
2 the capability gaps of the United States identi-
3 fied pursuant to subparagraph (A) are not like-
4 ly to be addressed through the cooperative
5 projects identified pursuant to subparagraph
6 (B).

7 (E) An assessment of the projected costs
8 for procurement and fielding of any capabilities
9 developed jointly pursuant to an agreement de-
10 scribed in subsection (c).

11 (2) LIMITATION.—No activities may be con-
12 ducted pursuant to an agreement described in sub-
13 section (c) until the date that is 15 days after the
14 date on which the Secretary of Defense submits the
15 report required under paragraph (1).

16 **TITLE III—ENSURING ISRAEL’S**
17 **QUALITATIVE MILITARY EDGE**

18 **SEC. 301. STATEMENT OF POLICY.**

19 It is the policy of the United States to ensure that
20 Israel maintains its ability to counter and defeat any cred-
21 ible conventional military, or emerging, threat from any
22 individual state or possible coalition of states or from non-
23 state actors, while sustaining minimal damages and cas-
24 ualties, through the use of superior military means, pos-
25 sessed in sufficient quantity, including weapons, com-

1 mand, control, communication, intelligence, surveillance,
2 and reconnaissance capabilities that in their technical
3 characteristics are superior in capability to those of such
4 other individual or possible coalition states or non-state
5 actors.

Passed the Senate August 1, 2018.

Attest:

JULIE E. ADAMS,

Secretary.