

#### 115TH CONGRESS 2D SESSION

# S. 2497

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

#### IN THE SENATE OF THE UNITED STATES

March 5, 2018

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

## A BILL

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

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the
- 5 "United States-Israel Security Assistance Authorization
- 6 Act of 2018".

#### 1 (b) Table of Contents for

#### 2 this Act is as follows:

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

#### TITLE I—SECURITY ASSISTANCE FOR ISRAEL

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

#### TITLE II—ENHANCED UNITED STATES-ISRAEL COOPERATION

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

#### TITLE III—ENSURING ISRAEL'S QUALITATIVE MILITARY EDGE

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

#### 3 SEC. 2. APPROPRIATE CONGRESSIONAL COMMITTEES DE-

- 4 FINED.
- 5 In this Act, the term "appropriate congressional com-
- 6 mittees" means—
- 7 (1) the Committee on Foreign Relations and
- 8 the Committee on Armed Services of the Senate; and
- 9 (2) the Committee on Foreign Affairs and the
- 10 Committee on Armed Services of the House of Rep-
- 11 resentatives.

#### TITLE I—SECURITY ASSISTANCE FOR ISRAEL 2

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7	SEC.	-101.	HINI)	IIV(†5).

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- 4 Congress makes the following findings:
- 5 (1) In April 1998, the United States designated 6 Israel as a "major non-NATO ally".
  - (2) On August 16, 2007, the United States and Israel signed a 10-year Memorandum of Understanding on United States military assistance to Israel. The total assistance over the course of this understanding would equal \$30,000,000,000.
    - (3) On July 27, 2012, the United States-Israel Enhanced Security Cooperation Act of 2012 (Public Law 112–150; 22 U.S.C. 8601 et seq.) declared it to be the policy of the United States "to help the Government of Israel preserve its qualitative military edge amid rapid and uncertain regional political transformation" and "provide Israel defense articles and services, to include air refueling tankers, missile defense capabilities, and specialized munitions".
    - (4) On December 19, 2014, President Barack Obama signed into law the United States-Israel Strategic Partnership Act of 2014 (Public Law 113– 296) which stated the sense of Congress that Israel is a major strategic partner of the United States

- and declared it to be the policy of the United States

  "to continue to provide Israel with robust security

  assistance, including for the procurement of the Iron

  Dome Missile Defense System".
  - (5) Section 1679 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114–92; 129 Stat. 1135) authorized funds to be appropriated for Israeli cooperative missile defense program codevelopment and coproduction, including funds to be provided to the Government of Israel to procure the David's Sling weapon system as well as the Arrow 3 Upper Tier Interceptor Program.
  - (6) On June 22, 2016, Senate Resolution 508 (114th Congress) was introduced in the United States Senate, expressing support for the expeditious consideration and finalization of a new, robust, and long-term Memorandum of Understanding on military assistance to Israel between the United States Government and the Government of Israel.
  - (7) Senate Resolution 508 provides that the Senate—
- 22 (A) "reaffirms that Israel is a major stra-23 tegic partner of the United States";
- 24 (B) "reaffirms that it is the policy and law 25 of the United States to ensure that Israel main-

1	tains its qualitative military edge and has the
2	capacity and capability to defend itself from all
3	credible military threats";
4	(C) "reaffirms United States support of a
5	robust Israeli tiered missile defense program'';
6	(D) "supports continued discussions be-
7	tween the Government of the United States and
8	the Government of Israel for a robust and long-
9	term Memorandum of Understanding on United
10	States military assistance to Israel';
11	(E) "urges the expeditious finalization of a
12	new Memorandum of Understanding between
13	the Government of the United States and the
14	Government of Israel'; and
15	(F) "supports a robust and long-term
16	Memorandum of Understanding negotiated be-
17	tween the United States and Israel regarding
18	military assistance which increases the amount
19	of aid from previous agreements and signifi-
20	cantly enhances Israel's military capabilities".
21	(8) On September 14, 2016, the United States
22	and Israel signed a 10-year Memorandum of Under-
23	standing reaffirming the importance of continuing
24	annual United States military assistance to Israel
25	and cooperative missile defense programs in a way

- that enhances Israel's security and strengthens the bilateral relationship between the two countries.
- 3 (9) 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 United States 10 assistance package ever and a reiteration of the 11 seven-decade, unshakeable, bipartisan commitment 12 of the United States to Israel's security.
  - (10) The Memorandum of Understanding also reflected United States support for funding for cooperative programs to develop, produce, and procure missile, rocket, and projectile defense capabilities over a ten year period beginning in fiscal year 2019 and ending in fiscal year 2028 at a level of \$500,000,000,000 per year, totaling \$5,000,000,000.

#### 20 SEC. 102. STATEMENT OF POLICY REGARDING ISRAEL'S DE-

#### 21 FENSE SYSTEMS.

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

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- 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"; and
- (2) in paragraph (2)—
- 12 (A) by striking "equal to—" and inserting
- "not less than \$3,300,000,000."; and
- (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-
- 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.
  - (2) The quantity and type of precision guided munitions that are necessary for Israel in the event of a sustained armed confrontation with other armed groups and terrorist organizations such as Hamas.
  - (3) The resources the Government of Israel can plan to dedicate to acquire such precision guided munitions.
  - (4) United States planning to assist Israel to prepare for sustained armed confrontations described in this subsection as well as the ability of the United States to resupply Israel in the event of confrontations described in paragraphs (1) and (2), if any.

#### (c) Report.—

- (1) IN GENERAL.—Not later than 15 days after the date on which the joint assessment authorized under subsection (a) is completed, the President shall submit to the appropriate congressional committees a report that contains the joint assessment.
- (2) FORM.—The report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.

1	SEC. 107. TRANSFER OF PRECISION GUIDED MUNITIONS TO
2	ISRAEL.
3	(a) In General.—Notwithstanding section 514 of
4	the Foreign Assistance Act of 1961 (22 U.S.C. 2321h),
5	the President is authorized—
6	(1) to utilize the Special Defense Acquisition
7	Fund to transfer precision guided munitions and re-
8	lated defense articles and services to reserve stocks
9	for Israel; and
10	(2) to transfer such quantities of precision
11	guided munitions from reserve stocks for Israel as
12	necessary for legitimate self-defense and otherwise
13	consistent with the purposes and conditions for such
14	transfers under the Arms Export Control Act $(22)$
15	U.S.C. 2751 et seq.).
16	(b) CERTIFICATIONS.—Except in case of emergency,
17	not later than 5 days before making a transfer under this
18	section, the President shall certify in an unclassified noti-
19	fication to the appropriate congressional committees that
20	the transfer of the precision guided munitions—
21	(1) does not affect the ability of the United
22	States to maintain a sufficient supply of precision
23	guided munitions;
24	(2) does not harm the combat readiness of the
25	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 absolutely necessary for Israel to counter
4	the threat 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 "; and; 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

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

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

(2) Prescription of Procedures.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe procedures for the rapid acquisition and deployment of supplies and associated support services for purposes described in paragraph (3) of section 806(a) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1)(A) of this subsection.

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
  - (C) the Convention on the Physical Protection of Nuclear Material, adopted at Vienna October 26, 1979.
    - (4) Section 6(b) of the United States-Israel Strategic Partnership Act of 2014 (22 U.S.C. 8603 note) directs the President, consistent with the commitments of the United States under international agreements, to take steps so that Israel may be included in the list of countries eligible for the strategic trade authorization exception under section 740.20(c)(1) of title 15, Code of Federal Regulations, to the requirement for a license for the export, re-export, or in-country transfer of an item subject to controls under the Export Administration Regulations.
    - (5) As of December 27, 2016, the last publication of the license exceptions country list, Israel had not been included for the strategic trade authorization exception under section 740.20 (c) (1) of title 15, Code of Federal Regulations.

1	(b) Report on Eligibility for Strategic Trade
2	AUTHORIZATION EXCEPTION.—
3	(1) In general.—Not later than 120 days
4	after the date of the enactment of this Act, the
5	President shall submit to the appropriate congres-
6	sional committees a report that—
7	(A) describes the steps taken to include
8	Israel in the list of countries eligible for the
9	strategic trade authorization exception under
10	section 740.20(c)(1) of title 15, Code of Federal
11	Regulations, as required under 6(b) of the
12	United States-Israel Strategic Partnership Act
13	of 2014 (22 U.S.C. 8603 note; Public Law
14	113–296); and
15	(B) includes the reasons as to why Israe
16	has not yet been included in such list of coun-
17	tries eligible for the strategic trade authoriza-
18	tion exception.
19	(2) FORM.—The report required under para-
20	graph (1) shall be submitted in unclassified form
21	but may contain a classified annex.

## TITLE II—ENHANCED UNITED

### 2 STATES-ISRAEL COOPERATION

3	SEC. 201. UNITED STATES-ISRAEL SPACE COOPERATION.
4	(a) FINDINGS.—Congress makes the following find-
5	ings:

201 INVESTIGATION OF COORDINATION

- (1) Authorized in 1958, the National Aeronautics and Space Administration (NASA) supports and coordinates United States Government research in aeronautics, human exploration and operations, science, and space technology.
  - (2) Established in 1983, the Israel Space Agency (ISA) supports the growth of Israel's space industry by supporting academic research, technological innovation, and educational activities.
    - (3) The mutual interest of the United States and Israel in space exploration affords both nations an opportunity to leverage their unique abilities to advance scientific discovery.
    - (4) In 1996, NASA and the ISA entered into their first agreement outlining areas of mutual cooperation, which remained in force until 2005.
- (5) Since 1996, NASA and the ISA have successfully cooperated on many space programs supporting the Global Positioning System and research

- related to the sun, earth science, and the environment.
- 3 (6) The bond between NASA and the ISA was 4 permanently forged on February 1, 2003, with the 5 loss of the crew of STS-107, including Israeli Astro-6 naut Ilan Ramon.
- 7 (7) The United States-Israel Strategic Partner-8 ship Act Of 2014 (Public Law 113–296) designated 9 Israel as a major strategic partner of the United 10 States.
  - (8) On October 13, 2015, the United States and Israel signed the Framework Agreement between the National Aeronautics and Space Administration of the United States of America and the Israel Space Agency for Cooperation in Aeronautics and the Exploration and Use of Airspace and Outer Space for Peaceful Purposes.
- Space for Peaceful Purposes.

  (b) Continuing Cooperation.—The Administrator
  of the National Aeronautics and Space Administration
  shall continue to work with the Israel Space Agency to
  identify and cooperatively pursue peaceful space exploration and science initiatives in areas of mutual interest,
  taking all appropriate measures to protect sensitive information, intellectual property, trade secrets, and economic
  interests of the United States.

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1	SEC. 202. UNITED STATES AGENCY FOR INTERNATIONAL
2	DEVELOPMENT—ISRAEL ENHANCED CO-
3	OPERATION.
4	(a) Statement of Policy.—It should be the policy
5	of the United States Agency for International Develop-
6	ment (USAID) to cooperate with Israel in order to ad-
7	vance common goals across a wide variety of sectors, in-
8	cluding energy, agriculture and food security, democracy,
9	human rights and governance, economic growth and trade,
10	education, environment, global health, and water and sani-
11	tation.
12	(b) Memorandum of Understanding.—The Ad-
13	ministrator of the United States Agency for International
14	Development is authorized to enter into memoranda of un-
15	derstanding with Israel in order to advance common goals
16	on energy, agriculture and food security, democracy,
17	human rights and governance, economic growth and trade,
18	education, environment, global health, and water and sani-
19	tation with a focus on strengthening mutual ties and co-

20 operation with nations throughout the world.

1	SEC. 203. AUTHORITY TO ENTER INTO A COOPERATIVE
2	PROJECT AGREEMENT WITH ISRAEL TO
3	COUNTER UNMANNED AERIAL VEHICLES
4	THAT THREATEN THE UNITED STATES OR
5	ISRAEL.
6	(a) FINDINGS.—Congress makes the following find-
7	ings:
8	(1) On February 10, 2018, Iran launched from
9	Syria an unmanned aerial vehicle (commonly known
10	as a "drone") that penetrated Israeli airspace.
11	(2) Israeli officials noted that the unmanned
12	aerial vehicle was in Israeli airspace for a minute-
13	and-a-half before being shot down by its air force.
14	(3) Senior Israeli officials stated that the un-
15	manned aerial vehicle was an advanced piece of tech-
16	nology.
17	(4) It remains unclear whether the unmanned
18	aerial vehicle was armed. Nonetheless, the launch,
19	and sophistication of the unmanned aerial vehicle,
20	highlight the threat Israel faces from unmanned aer-
21	ial vehicles from Iranian forces active in Syria and
22	from Hezbollah in Lebanon.
23	(5) The United States likewise faces the threat
24	of unmanned aerial vehicles along the United States
25	border and in areas of active hostilities, including Is-
26	lamic State of Iraq and Syria (ISIS) drones in Syria

- and Iraq and al Qaeda manufactured drones in Afghanistan.
- 3 (b) Sense of Congress.—It is the sense of the4 Congress that—
- 5 (1) joint research and development to counter 6 unmanned aerial vehicles will serve the national se-7 curity interests of the United States and Israel;
  - (2) Israel faces urgent and emerging threats from unmanned aerial vehicles, and other unmanned vehicles, launched from Lebanon by Hezbollah, from Syria by Iran's Revolutionary Guard Corps, or from others seeking to attack Israel; and
  - (3) the United States and Israel should continue to work together to defend against all threats to the safety, security, and national interests of both countries.
  - (c) Authority To Enter Into Agreement.—
  - (1) In General.—The President is authorized to enter into a cooperative project agreement with Israel under the authority of section 27 of the Arms Export Control Act (22 U.S.C. 2767), to carry out research on and development, testing, evaluation, and joint production (including follow-on support) of defense articles and defense services to detect, track,

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1	and destroy unmanned aerial vehicles that threaten
2	the United States or Israel.
3	(2) Applicable requirements.—The cooper-
4	ative project agreement described in paragraph
5	(1)—
6	(A) shall provide that any activities carried
7	out pursuant to the agreement are subject to—
8	(i) the applicable requirements de-
9	scribed in subparagraphs (A), (B), and (C)
10	of section 27(b)(2) of the Arms Export
11	Control Act (22 U.S.C. 2767(b)(2)); and
12	(ii) any other applicable requirements
13	of the Arms Export Control Act (22
14	U.S.C. 2751 et seq.) with respect to the
15	use, transfers, and security of such defense
16	articles and defense services under that
17	Act; and
18	(B) shall establish a framework to nego-
19	tiate the rights to intellectual property devel-
20	oped under the agreement.

# TITLE III—ENSURING ISRAEL'S QUALITATIVE MILITARY EDGE

3	SEC. 301. IMPROVED REPORTING ON ENHANCING ISRAEL'S
4	QUALITATIVE MILITARY EDGE AND SECU-
5	RITY POSTURE.
6	Section 201(c)(2) the Naval Vessel Transfer Act of
7	2008 is amended by adding at the end the following: "The
8	report shall include an assessment of—
9	"(A) the ability of Israel to effectively de-
10	fend itself against military threats from re-
11	gional non-state actors;
12	"(B) the risk that is posed by the sale or
13	export of a subsequent unauthorized transfer or
14	proliferation of the equipment for use against
15	Israel;
16	"(C) the range of cyber and asymmetric
17	threats posed to Israel by state and non-state
18	actors;
19	"(D) the range of threats posed to Israel
20	by state and non-state actors through the use
21	of unmanned vehicles and systems, through air,
22	land, or water; and
23	"(E) the effective countermeasures avail-
24	able to Israel to defend against the risks and

1 threats described in subparagraphs (B) through

2 (D).".

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actors.

#### SEC. 302. STATEMENT OF POLICY.

4 It is the policy of the United States to ensure that Israel maintains its ability to counter and defeat any credible conventional military, or emerging, threat from any 6 individual state or possible coalition of states or from nonstate actors, while sustaining minimal damages and cas-8 ualties, through the use of superior military means, possessed in sufficient quantity, including weapons, com-10 mand, control, communication, intelligence, surveillance, 12 and reconnaissance capabilities that in their technical characteristics are superior in capability to those of such

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other individual or possible coalition states or non-state