AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5141
OFFERED BY MR. ROYCE OF CALIFORNIA

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE AND 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
6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:
8
Sec. 1. Short title and table of contents.
Sec. 2. Definition.

TITLE I—SECURITY ASSISTANCE FOR ISRAEL

Sec. 101. Findings.
Sec. 102. Statement of policy.
Sec. 103. Assistance for Israel.
Sec. 104. Joint assessment of quantity of precision guided munitions for use by
   Israel.
Sec. 105. Transfer of precision guided munitions to Israel.
Sec. 106. Sense of Congress on rapid acquisition and deployment procedures.
Sec. 107. Extension of War Reserves Stockpile authority.
Sec. 108. Eligibility of Israel for the strategic trade authorization exception to
   certain export control licensing requirements.
Sec. 109. Extension of loan guarantees to Israel.

TITLE II—ENHANCED COOPERATION BETWEEN THE UNITED
   STATES AND ISRAEL

Sec. 201. United States-Israel cybersecurity cooperation.
Sec. 202. United States-Israel space cooperation.
Sec. 203. United States Agency for International Development—Israel en-
   hanced cooperation.
Sec. 204. Authority to enter into a cooperative project agreement with Israel to counter unmanned aerial vehicles that threaten the United States or Israel.

TITLE III—ENSURING ISRAEL’S QUALITATIVE MILITARY EDGE

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

SEC. 2. DEFINITION.

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

(1) the Committee on Foreign Affairs and the Committee on Armed Services of the House of Representatives; and

(2) the Committee on Foreign Relations and the Committee on Armed Services of the Senate.

TITLE I—SECURITY ASSISTANCE FOR ISRAEL

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) In 1987, the United States granted Israel status as a “major non-NATO ally”, which was codified in law in 1996.

(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 amount of military assistance over the course of this period would equal $30 billion.
(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 the Government of Israel defense articles and services . . . to include air refueling tankers, missile defense capabilities, and specialized munitions”.

(4) On December 19, 2014, the President 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 and the
Arrow 3 Upper Tier Interceptor Program.

(6) On September 13, 2016, the House of Rep-
representatives passed, by a vote of 405 to 4, House
Resolution 729, supporting the expeditious finaliza-
tion of a new, robust, and long-term Memorandum
of Understanding on military assistance to Israel be-
tween the United States Government and the Gov-
ernment of Israel.

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

(8) The 2016 Memorandum of Understanding
reflected United States support of Foreign Military
Financing (FMF) grant assistance to Israel over the
10-year period beginning in fiscal year 2019 and
ending in fiscal year 2028. Such FMF grant assist-
ance would equal $3.3 billion annually, totaling $33
billion.

(9) The 2016 Memorandum of Understanding
also reflected United States support for funding for
cooperative programs to develop, produce, and pro-

cure missile, rocket and projectile defense capabili-
ties over a 10-year period beginning in fiscal year
2019 and ending in fiscal year 2028 at a level of
$500 million annually, totaling $5 billion.

SEC. 102. STATEMENT OF POLICY.

It is the policy of the United States to provide assist-
ance to the Government of Israel in order to help enable
Israel to defend itself by itself and develop long-term ca-
pacity, primarily through the acquisition of advanced ca-
pabilities that are available from the United States.

SEC. 103. ASSISTANCE FOR ISRAEL.

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

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

(2) in paragraph (2), by striking “equal to—”
and all that follows and inserting “not less than
$3,300,000,000”; and

(3) in paragraph (3), by striking “Funds au-
threshold” and all that follows through “later.” and
inserting “Funds authorized to be available for
Israel under subsection (b)(1) and paragraph (1) of
this subsection for fiscal years 2019, 2020, 2021,
2022, and 2023 shall be disbursed not later than 30 days after the date of the enactment of an Act making appropriations for the Department of State, foreign operations, and related programs for the respective fiscal year, or October 31 of the respective fiscal year, whichever is later.”.

SEC. 104. JOINT ASSESSMENT OF QUANTITY OF PRECISION GUIDED MUNITIONS FOR USE BY ISRAEL.

(a) In General.—The President is authorized to conduct a joint assessment with the Government of Israel with respect to the matters described in subsection (b).

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

(1) The quantity and type of precision guided munitions that are necessary for Israel to defend itself in the event of a sustained armed confrontation that is possible in light of current trends and instability in the Middle East.

(2) The resources the Government of Israel would need to dedicate to acquire such precision guided munitions.

(3) United States planning to assist Israel to prepare for a sustained armed confrontation described in paragraph (1) as well as the ability of the
United States to resupply Israel in the event of such a confrontation.

(c) Report.—

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

(2) Form.—The report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.

SEC. 105. TRANSFER OF PRECISION GUIDED MUNITIONS TO ISRAEL.

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

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

(2) transfer such quantities of precision guided munitions from reserve stocks for Israel as necessary for legitimate self-defense and is otherwise consistent with the purposes and conditions for such transfers under the Arms Export Control Act.
(b) CERTIFICATION.—Except in the case of an emergency, not later than 5 days before making a transfer under subsection (a), the President shall certify to the appropriate congressional committees that the transfer of the precision guided munitions—

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

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

(3) is in the national security interest of the United States.

SEC. 106. SENSE OF CONGRESS ON RAPID ACQUISITION AND DEPLOYMENT PROCEDURES.

It is the sense of Congress that the President should prescribe procedures for the rapid acquisition and deployment of precision guided munitions for United States counterterrorism missions, or to assist an ally of the United States, including Israel, that is subject to direct missile threat.
SEC. 107. EXTENSION OF WAR RESERVES STOCKPILE AUTHORITY.

(a) Department of Defense Appropriations Act, 2005.—Section 12001(d) of the Department of Defense Appropriations Act, 2005 (Public Law 108–287; 118 Stat. 1011) is amended by striking “2019” and inserting “2023”.


SEC. 108. ELIGIBILITY OF ISRAEL FOR THE STRATEGIC TRADE AUTHORIZATION EXCEPTION TO CERTAIN EXPORT CONTROL LICENSING REQUIREMENTS.

(a) Findings.—Congress finds the following:

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

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

(3) Israel is a party to—

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

(B) the Convention on the Physical Protection of Nuclear Material, adopted at Vienna on 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, 2017, the last publication of the license exceptions country list, Israel had not been 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.

(b) REPORT ON ELIGIBILITY FOR STRATEGIC TRADE AUTHORIZATION EXCEPTION.—
11

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that describes the steps taken pursuant to section 6(b) of the United States-Israel Strategic Partnership Act of 2014 (22 U.S.C. 8603 note).

(2) FORM.—The report required under paragraph (1) shall be provided in unclassified form, but may contain a classified portion.

SEC. 109. EXTENSION OF LOAN GUARANTEES TO ISRAEL.

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

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

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

May 7, 2018 (11:46 a.m.)
TITLE II—ENHANCED COOPERATION BETWEEN THE UNITED STATES AND ISRAEL

SEC. 201. UNITED STATES-ISRAEL CYBERSECURITY CO-OPERATION.

(a) Grant Program.—

(1) Establishment.—The Secretary, in accordance with the agreement entitled the “Agreement between the Government of the United States of America and the Government of the State of Israel on Cooperation in Science and Technology for Homeland Security Matters”, dated May 29, 2008 (or successor agreement), and the requirements specified in paragraph (2), shall establish a grant program at the Department to support—

(A) cybersecurity research and development; and

(B) demonstration and commercialization of cybersecurity technology.

(2) Requirements.—

(A) Applicability.—Notwithstanding any other provision of law, in carrying out a research, development, demonstration, or commercial application program or activity that is authorized under this section, the Secretary
shall require cost sharing in accordance with this paragraph.

(B) RESEARCH AND DEVELOPMENT.—

(i) IN GENERAL.—Except as provided in clause (ii), the Secretary shall require not less than 50 percent of the cost of a research, development, demonstration, or commercial application program or activity described in subparagraph (A) to be provided by a non-Federal source.

(ii) REDUCTION.—The Secretary may reduce or eliminate, on a case-by-case basis, the percentage requirement specified in clause (i) if the Secretary determines that such reduction or elimination is necessary and appropriate.

(C) MERIT REVIEW.—In carrying out a research, development, demonstration, or commercial application program or activity that is authorized under this section, awards shall be made only after an impartial review of the scientific and technical merit of the proposals for such awards has been carried out by or for the Department.
(D) REVIEW PROCESSES.—In carrying out a review under subparagraph (C), the Secretary may use merit review processes developed under section 302(14) of the Homeland Security Act of 2002 (6 U.S.C. 182(14)).

(3) ELIGIBLE APPLICANTS.—An applicant shall be eligible to receive a grant under this subsection if the project of such applicant—

(A) addresses a requirement in the area of cybersecurity research or cybersecurity technology, as determined by the Secretary; and

(B) is a joint venture between—

(i)(I) a for-profit business entity, academic institution, National Laboratory (as defined in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801)), or nonprofit entity in the United States; and

(II) a for-profit business entity, academic institution, or nonprofit entity in Israel; or

(ii)(I) the Federal Government; and

(II) the Government of Israel.

(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, an applicant shall submit to the Secretary an application for such grant
in accordance with procedures established by the Secretary, in consultation with the advisory board established under paragraph (5).

(5) ADVISORY BOARD.—

(A) E STABLISHMENT.—The Secretary shall establish or designate an advisory board to—

(i) monitor the method by which grants are awarded under this subsection; and

(ii) provide to the Secretary periodic performance reviews of actions taken to carry out this subsection.

(B) C OMPOSITION.—An advisory board established under subparagraph (A) shall be composed of three members, to be appointed by the Secretary, of whom—

(i) one shall be a representative of the Federal Government;

(ii) one shall be selected from a list of nominees provided by the United States-Israel Binational Science Foundation; and

(iii) one shall be selected from a list of nominees provided by the United States-
Israel Binational Industrial Research and Development Foundation.

(6) CONTRIBUTED FUNDS.—Notwithstanding any other provision of law, the Secretary may accept or retain funds contributed by any person, government entity, or organization for purposes of carrying out this subsection. Such funds shall be available, subject to appropriation, without fiscal year limitation.

(7) REPORT.—Not later than 180 days after the date of completion of a project for which a grant is provided under this subsection, the grant recipient shall submit to the Secretary a report that contains—

(A) a description of how the grant funds were used by the recipient; and

(B) an evaluation of the level of success of each project funded by the grant.

(8) CLASSIFICATION.—Grants shall be awarded under this subsection only for projects that are considered to be unclassified by both the United States and Israel.

(b) TERMINATION.—The grant program and an advisory board established under this section terminate on the
date that is 7 years after the date of the enactment of this Act.

(c) No Additional Funds Authorized.—No additional funds are authorized to carry out the requirements of this section. Such requirements shall be carried out using amounts otherwise authorized.

(d) Definitions.—In this section—

(1) the term “cybersecurity research” means research, including social science research, into ways to identify, protect against, detect, respond to, and recover from cybersecurity threats;

(2) the term “cybersecurity technology” means technology intended to identify, protect against, detect, respond to, and recover from cybersecurity threats;

(3) the term “cybersecurity threat” has the meaning given such term in section 102 of the Cybersecurity Information Sharing Act of 2015 (enacted as title I of the Cybersecurity Act of 2015 (division N of the Consolidated Appropriations Act, 2016 (Public Law 114–113)));

(4) the term “Department” means the Department of Homeland Security; and

(5) the term “Secretary” means the Secretary of Homeland Security.
SEC. 202. UNITED STATES-ISRAEL SPACE COOPERATION.

(a) FINDINGS.—The Congress finds that—

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

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

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

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

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

(6) the bond between NASA and the ISA was permanently forged on February 1, 2003, with the loss of the crew of STS–107, including Israeli Astro-
naut Ilan Ramon and six United States citizen astronuats; and

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

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

SEC. 203. UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT—ISRAEL ENHANCED CO-
OPERATION.

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

(b) Memoranum of Understanding.—The Secretary of State, acting through the Administrator of the United States Agency for International Development in accordance with established procedures, is authorized to enter into memoranda of understanding with Israel in order to advance common goals on energy, agriculture and food security, democracy, human rights and governance, economic growth and trade, education, environment, global health, water, sanitation, and hygiene with a focus on strengthening mutual ties, international cooperation, stability, and security with other countries.

Sec. 204. Authority to Enter Into a Cooperative Project Agreement with Israel to Counter Unmanned Aerial Vehicles That Threaten the United States or Israel.

(a) Sense of Congress.—It is the sense of Congress that—

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

(2) Israel faces urgent and emerging threats from unmanned aerial vehicles launched from Leb-
anon by Hezbollah, from Syria by forces of Iran’s Revolutionary Guard Corps, and from others seeking to attack Israel.

(b) AUTHORITY TO ENTER INTO AGREEMENT.—

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

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

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

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

(ii) any other applicable requirements of the Arms Export Control Act with respect to the use, transfers, and security of
such defense articles and defense services under that Act; and

(B) shall establish a framework to negotiate the rights to intellectual property developed under the agreement.

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

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

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

**SEC. 302. IMPROVED REPORTING ON ENHANCING ISRAEL’S QUALITATIVE MILITARY EDGE AND SECURITY POSTURE.**

(a) In general.—Section 201 of Public Law 110–429 (22 U.S.C. 2776 note) is amended—
(1) in the heading, by inserting “AND OTHER” after “OVER MILITARY”; and

(2) in subsection (a)—

(A) in the first sentence, by inserting “, to include regional non-state actors and asymmetric threats from state and non-state actors” after “over military threats to Israel,”; and

(B) by inserting after the first sentence, as so amended, the following new sentence: “The assessment required under this subsection shall also describe Israel’s ability to defend itself against cyber threats as well as armed autonomous and unmanned systems.”.

(b) INTERIM ASSESSMENT AND REPORT.—

(1) ASSESSMENT.—The President shall carry out an empirical and qualitative assessment of the extent to which Israel possesses a qualitative military edge over military threats to Israel, to include regional non-state actors and asymmetric threats from state and non-state actors. The assessment required under this subsection shall also describe Israel’s ability to defend itself against cyber threats as well as armed autonomous and unmanned systems.
(2) REPORT.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on the assessment required under this subsection.

(3) DEFINITIONS.—In this subsection, the terms “appropriate congressional committees” and “qualitative military edge” have the meanings given such terms in subsection (e) of section 201 of Public Law 110–429 (22 U.S.C. 2776 note).