

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—115th Cong., 2d Sess.

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.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended
to be proposed by Mr. RUBIO

Viz:

1 Strike all after the enacting clause and insert the fol-
2 lowing:

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”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
8 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.

1 **SEC. 2. APPROPRIATE CONGRESSIONAL COMMITTEES DE-** 2 **FINED.**

3 In this Act, the term “appropriate congressional com-
4 mittees” means—

- 5 (1) the Committee on Foreign Relations and
- 6 the Committee on Armed Services of the Senate; and
- 7 (2) the Committee on Foreign Affairs and the
- 8 Committee on Armed Services of the House of Rep-
- 9 resentatives.

10 **TITLE I—SECURITY ASSISTANCE** 11 **FOR ISRAEL**

12 **SEC. 101. FINDINGS.**

13 Congress makes the following findings:

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

3 (2) On August 16, 2007, the United States and
4 Israel signed a ten-year Memorandum of Under-
5 standing on United States military assistance to
6 Israel. The total assistance over the course of this
7 understanding would equal \$30,000,000,000.

8 (3) On July 27, 2012, the United States-Israel
9 Enhanced Security Cooperation Act of 2012 (Public
10 Law 112–150; 22 U.S.C. 8601 et seq.) declared it
11 to be the policy of the United States “to help the
12 Government of Israel preserve its qualitative military
13 edge amid rapid and uncertain regional political
14 transformation” and stated the sense of Congress
15 that the United States Government should “provide
16 the Government of Israel defense articles and de-
17 fense services through such mechanisms as appro-
18 priate, to include air refueling tankers, missile de-
19 fense capabilities, and specialized munitions”.

20 (4) On December 19, 2014, President Barack
21 Obama signed into law the United States-Israel
22 Strategic Partnership Act of 2014 (Public Law 113–
23 296) which stated the sense of Congress that Israel
24 is a major strategic partner of the United States
25 and declared it to be the policy of the United States

1 “to continue to provide Israel with robust security
2 assistance, including for the procurement of the Iron
3 Dome Missile Defense System”.

4 (5) Section 1679 of the National Defense Au-
5 thorization Act for Fiscal Year 2016 (Public Law
6 114–92; 129 Stat. 1135) authorized funds to be ap-
7 propriated for Israeli cooperative missile defense
8 program codevelopment and coproduction, including
9 funds to be provided to the Government of Israel to
10 procure the David’s Sling weapon system as well as
11 the Arrow 3 Upper Tier Interceptor Program.

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

19 (7) The 2016 Memorandum of Understanding
20 reflected United States support of Foreign Military
21 Financing (FMF) grant assistance to Israel over the
22 ten year period beginning in fiscal year 2019 and
23 ending in fiscal year 2028. FMF grant assistance
24 would be at a level of \$3,300,000,000 annually, to-
25 taling \$33,000,000,000, the largest single pledge of

1 military assistance ever and a reiteration of the
2 seven-decade, unshakeable, bipartisan commitment
3 of the United States to Israel's security.

4 (8) The Memorandum of Understanding also
5 reflected United States support for funding for coop-
6 erative programs to develop, produce, and procure
7 missile, rocket, and projectile defense capabilities
8 over a ten year period beginning in fiscal year 2019
9 and ending in fiscal year 2028 at a level of
10 \$500,000,000 per year, totaling \$5,000,000,000.

11 **SEC. 102. STATEMENT OF POLICY REGARDING ISRAEL'S DE-**
12 **FENSE SYSTEMS.**

13 It shall be the policy of the United States to provide
14 assistance to the Government of Israel in order to support
15 funding for cooperative programs to develop, produce, and
16 procure missile, rocket, projectile, and other defense capa-
17 bilities to help Israel meet its security needs and to help
18 develop and enhance United States defense capabilities.

19 **SEC. 103. ASSISTANCE FOR ISRAEL.**

20 (a) **AUTHORIZATION OF APPROPRIATIONS FOR**
21 **ISRAEL.**—Section 513(c) of the Security Assistance Act
22 of 2000 (Public Law 106–280; 114 Stat. 856) is amend-
23 ed—

1 (1) in paragraph (1), by striking “2002 and
2 2003” and inserting “2019, 2020, 2021, 2022,
3 2023, 2024, 2025, 2026, 2027, and 2028”;

4 (2) in paragraph (2)—

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

7 (B) by striking subparagraphs (A) and
8 (B).

9 **SEC. 104. EXTENSION OF WAR RESERVES STOCKPILE AU-**
10 **THORITY.**

11 (a) DEPARTMENT OF DEFENSE APPROPRIATIONS
12 ACT, 2005.—Section 12001(d) of the Department of De-
13 fense Appropriations Act, 2005 (Public Law 108–287;
14 118 Stat. 1011) is amended by striking “after September
15 30, 2018” and inserting “after September 30, 2023”.

16 (b) FOREIGN ASSISTANCE ACT OF 1961.—Section
17 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22
18 U.S.C. 2321h(b)(2)(A)) is amended by striking “2013,
19 2014, 2015, 2016, 2017, and 2018” and inserting “2018,
20 2019, 2020, 2021, 2022, and 2023.”.

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

22 Chapter 5 of title I of the Emergency Wartime Sup-
23 plemental Appropriations Act, 2003 (Public Law 108–11;
24 117 Stat. 576) is amended under the heading “LOAN
25 GUARANTEES TO ISRAEL”—

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

4 (2) in the second proviso, by striking “Sep-
5 tember 30, 2019” and inserting “September 30,
6 2023”.

7 **SEC. 106. JOINT ASSESSMENT OF QUANTITY OF PRECISION**

8 **GUIDED MUNITIONS FOR USE BY ISRAEL.**

9 (a) IN GENERAL.—The President, acting through the
10 Secretary of State and the Secretary of Defense, is author-
11 ized to conduct a joint assessment with the Government
12 of Israel with respect to the matters described in sub-
13 section (b).

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

16 (1) The quantity and type of precision guided
17 munitions that are necessary for Israel to combat
18 Hezbollah in the event of a sustained armed con-
19 frontation between Israel and Hezbollah.

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

1 (3) The resources the Government of Israel can
2 plan to dedicate to acquire such precision guided
3 munitions.

4 (4) United States plans to assist Israel to pre-
5 pare for sustained armed confrontations described in
6 this subsection as well as the ability of the United
7 States to resupply Israel with precision guided muni-
8 tions in the event of confrontations described in
9 paragraphs (1) and (2), if any.

10 (c) REPORT.—

11 (1) IN GENERAL.—Not later than 15 days after
12 the date on which the joint assessment authorized
13 under subsection (a) is completed, the President
14 shall submit to the appropriate congressional com-
15 mittees a report that contains the joint assessment.

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

19 **SEC. 107. TRANSFER OF PRECISION GUIDED MUNITIONS TO**
20 **ISRAEL.**

21 (a) IN GENERAL.—Notwithstanding section 514 of
22 the Foreign Assistance Act of 1961 (22 U.S.C. 2321h),
23 the President is authorized to sell such quantities of preci-
24 sion guided munitions from reserve stocks to Israel as nec-
25 essary for legitimate self-defense and otherwise consistent

1 with the purposes and conditions for such sales under the
2 Arms Export Control Act (22 U.S.C. 2751 et seq.).

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

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

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

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

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

19 (a) REQUIREMENT TO ESTABLISH PROCEDURES.—

20 (1) IN GENERAL.—Section 806(a) of the Bob
21 Stump National Defense Authorization Act for Fis-
22 cal Year 2003 (10 U.S.C. 2302 note; Public Law
23 107–314) is amended—

24 (A) in paragraph (1)(C), by striking “;
25 and”;

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

3 (C) by adding at the end the following new
4 paragraph:

5 “(3) urgently needed to support production of
6 precision guided munitions—

7 “(A) for United States counterterrorism
8 missions; or

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

11 “(i) an organization the Secretary of
12 State has designated as a foreign terrorist
13 organization pursuant to section 219 of the
14 Immigration and Nationality Act (8 U.S.C.
15 1189); or

16 “(ii) a country the government of
17 which the Secretary of State has deter-
18 mined, for purposes of section 6(j) of the
19 Export Administration Act of 1979 (50
20 U.S.C. 4605(j)) (as in effect pursuant to
21 the International Emergency Economic
22 Powers Act), section 620A of the Foreign
23 Assistance Act of 1961 (22 U.S.C. 2371),
24 section 40 of the Arms Export Control Act
25 (22 U.S.C. 2780), or any other provision

1 of law, is a government that has repeatedly
2 provided support for acts of international
3 terrorism.”.

4 (2) PRESCRIPTION OF PROCEDURES.—Not later
5 than 180 days after the date of the enactment of
6 this Act, the Secretary of Defense shall prescribe
7 procedures for the rapid acquisition and deployment
8 of supplies and associated support services for pur-
9 poses described in paragraph (3) of section 806(a)
10 of the Bob Stump National Defense Authorization
11 Act for Fiscal Year 2003, as added by paragraph
12 (1)(A) of this subsection.

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

1 **SEC. 109. ELIGIBILITY OF ISRAEL FOR THE STRATEGIC**
2 **TRADE AUTHORIZATION EXCEPTION TO CER-**
3 **TAIN EXPORT CONTROL LICENSING RE-**
4 **QUIREMENTS.**

5 (a) FINDINGS.—Congress makes the following find-
6 ings:

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

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

12 (3) Israel is a party to—

13 (A) the Convention on Prohibitions or Re-
14 strictions on the Use of Certain Conventional
15 Weapons which may be Deemed to be Exces-
16 sively Injurious or to Have Indiscriminate Ef-
17 fects, signed at Geneva October 10, 1980;

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

22 (C) the Convention on the Physical Protec-
23 tion of Nuclear Material, adopted at Vienna Oc-
24 tober 26, 1979.

25 (4) Section 6(b) of the United States-Israel
26 Strategic Partnership Act of 2014 (22 U.S.C. 8603

1 note) directs the President, consistent with the com-
2 mitments of the United States under international
3 agreements, to take steps so that Israel may be in-
4 cluded in the list of countries eligible for the stra-
5 tegic trade authorization exception under section
6 740.20(c)(1) of title 15, Code of Federal Regula-
7 tions, to the requirement for a license for the export,
8 reexport, or in-country transfer of an item subject to
9 controls under the Export Administration Regula-
10 tions.

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

13 (1) IN GENERAL.—Not later than 120 days
14 after the date of the enactment of this Act, the
15 President shall submit to the appropriate congress-
16 sional committees a report that—

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

23 (B) includes what steps are necessary for
24 Israel to be included in such a list of countries

1 eligible for the strategic trade authorization ex-
2 ception.

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 **TITLE II—ENHANCED UNITED**
7 **STATES-ISRAEL COOPERATION**

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

9 (a) FINDINGS.—Congress makes the following find-
10 ings:

11 (1) Authorized in 1958, the National Aero-
12 nautics and Space Administration (NASA) supports
13 and coordinates United States Government research
14 in aeronautics, human exploration and operations,
15 science, and space technology.

16 (2) Established in 1983, the Israel Space Agen-
17 cy (ISA) supports the growth of Israel's space indus-
18 try by supporting academic research, technological
19 innovation, and educational activities.

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

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

4 (5) Since 1996, NASA and the ISA have suc-
5 cessfully cooperated on many space programs sup-
6 porting the Global Positioning System and research
7 related to the sun, earth science, and the environ-
8 ment.

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

13 (7) On October 13, 2015, the United States
14 and Israel signed the Framework Agreement be-
15 tween the National Aeronautics and Space Adminis-
16 tration of the United States of America and the
17 Israel Space Agency for Cooperation in Aeronautics
18 and the Exploration and Use of Airspace and Outer
19 Space for Peaceful Purposes.

20 (b) CONTINUING COOPERATION.—The Administrator
21 of the National Aeronautics and Space Administration
22 shall continue to work with the Israel Space Agency to
23 identify and cooperatively pursue peaceful space explo-
24 ration and science initiatives in areas of mutual interest,
25 taking all appropriate measures to protect sensitive infor-

1 mation, intellectual property, trade secrets, and economic
2 interests of the United States.

3 **SEC. 202. UNITED STATES AGENCY FOR INTERNATIONAL**
4 **DEVELOPMENT-ISRAEL ENHANCED PART-**
5 **nership for Development Cooperation**
6 **IN DEVELOPING NATIONS.**

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

15 (b) MEMORANDUM OF UNDERSTANDING.—The Ad-
16 ministrator of the United States Agency for International
17 Development is authorized to enter into memoranda of un-
18 derstanding with Israel in order to enhance coordination
19 on advancing common goals on energy, agriculture and
20 food security, democracy, human rights and governance,
21 economic growth and trade, education, environment, glob-
22 al health, and water and sanitation with a focus on
23 strengthening mutual ties and cooperation with nations
24 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) According to a press report, 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 (b) SENSE OF CONGRESS.—It is the sense of the
18 Congress that—

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

22 (2) Israel faces urgent and emerging threats
23 from unmanned aerial vehicles, and other unmanned
24 vehicles, launched from Lebanon by Hezbollah, from
25 Syria by Iran’s Revolutionary Guard Corps, or from
26 others seeking to attack Israel; and

1 U.S.C. 2751 et seq.) with respect to the
2 use, transfers, and security of such defense
3 articles and defense services under that
4 Act;

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

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

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

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

13 It is the policy of the United States to ensure that
14 Israel maintains its ability to counter and defeat any cred-
15 ible conventional military, or emerging, threat from any
16 individual state or possible coalition of states or from non-
17 state actors, while sustaining minimal damages and cas-
18 ualties, through the use of superior military means, pos-
19 sessed in sufficient quantity, including weapons, com-
20 mand, control, communication, intelligence, surveillance,
21 and reconnaissance capabilities that in their technical
22 characteristics are superior in capability to those of such
23 other individual or possible coalition states or non-state
24 actors.