

Suspend the Rules and Pass the Bill, H. R. 938, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

113TH CONGRESS
1ST SESSION

H. R. 938

To strengthen the strategic alliance between the United States and Israel,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2013

Ms. ROS-LEHTINEN (for herself and Mr. DEUTCH) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on the Judiciary 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

A BILL

To strengthen the strategic alliance between the United States and 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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “United States-Israel Strategic Partnership Act of 2014”.

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings.
- Sec. 3. Declaration of policy.

TITLE I—UNITED STATES-ISRAEL STRATEGIC ALLIANCE

- Sec. 101. Amendments to the United States-Israel Enhanced Security Cooperation Act of 2012.
- Sec. 102. Authorization of assistance for Israel.
- Sec. 103. United States-Israel cooperation on cyber-security.
- Sec. 104. Statement of United States Policy Regarding Israel’s defense systems.
- Sec. 105. Report on other matters.
- Sec. 106. Statement of policy.
- Sec. 107. Sense of Congress.

TITLE II—UNITED STATES-ISRAEL ENERGY COOPERATION

- Sec. 201. United States-Israel energy cooperation.

TITLE III—OFFSET

- Sec. 301. Offset.

3 **SEC. 2. FINDINGS.**

4 Congress finds the following:

5 (1) The turmoil in the Middle East poses a se-
6 rious threat to United States national security inter-
7 ests and requires cooperation with allies that are
8 willing to work with the United States in pursuit of
9 shared objectives.

10 (2) The October 31, 1998, Memorandum of
11 Agreement signed by President Clinton and Prime
12 Minister Netanyahu commits the United States to
13 working jointly with Israel towards enhancing
14 Israel’s defensive and deterrent capabilities and up-
15 grading the framework of the United States-Israel

1 strategic and military relationships, as well as the
2 technological cooperation between both countries.

3 (3) On August 16, 2007, the United States and
4 Israel signed a Memorandum of Understanding re-
5 affirming United States commitment to the security
6 of Israel and establishing a 10-year framework for
7 incremental increases in United States military as-
8 sistance to Israel.

9 (4) The Memorandum of Understanding signed
10 two years later on January 16, 2009 reaffirmed the
11 United States commitment and noted “the security,
12 military and intelligence cooperation between the
13 United States and Israel”.

14 (5) The United States and Israel conduct a
15 semi-annual Strategic Dialogue. The Department of
16 State, in a statement following the July 12, 2012,
17 meeting of the Strategic Dialogue, noted that the
18 discussions focused on such issues of mutual concern
19 as “Iran’s continued quest to develop nuclear weap-
20 ons, which the United States and Israel are both de-
21 termined to prevent” and “how the continued vio-
22 lence of the Syrian regime against its citizens [as-
23 sisted by Iran and Hezbollah] could also lead to se-
24 vere consequences for the entire region”.

1 **SEC. 3. DECLARATION OF POLICY.**

2 Congress declares that Israel is a major strategic
3 partner of the United States.

4 **TITLE I—UNITED STATES-**
5 **ISRAEL STRATEGIC ALLIANCE**

6 **SEC. 101. AMENDMENTS TO THE UNITED STATES-ISRAEL**
7 **ENHANCED SECURITY COOPERATION ACT OF**
8 **2012.**

9 (a) UNITED STATES ACTIONS TO ASSIST IN THE DE-
10 FENSE OF ISRAEL AND PROTECT UNITED STATES INTER-
11 ESTS.—Section 4 of the United States-Israel Enhanced
12 Security Cooperation Act of 2012 (Public Law 112–150;
13 22 U.S.C. 8603) is amended—

14 (1) by striking “It is the sense of Congress that
15 the United States Government should” and inserting
16 “(a) IN GENERAL.—The President should, to the
17 maximum extent practicable,”; and

18 (2) by adding at the end the following:

19 “(b) REPORT.—Not later than 180 days after the
20 date of the enactment of this subsection, the President
21 shall submit to Congress a report on the implementation
22 of this section.”.

23 (b) EXTENSION OF WAR RESERVES STOCKPILE AU-
24 THORITY.—Section 5(a) of the United States-Israel En-
25 hanced Security Cooperation Act of 2012 (Public Law
26 112–150) is amended to read as follows:

1 “(a) EXTENSION OF WAR RESERVES STOCKPILE AU-
2 THORITY.—

3 “(1) DEPARTMENT OF DEFENSE APPROPRIA-
4 TIONS ACT, 2005.—Section 12001(d) of the Depart-
5 ment of Defense Appropriations Act, 2005 (Public
6 Law 108–287; 118 Stat. 1011), is amended by strik-
7 ing ‘more than 10 years after’ and inserting ‘more
8 than 11 years after’.

9 “(2) FOREIGN ASSISTANCE ACT OF 1961.—Sec-
10 tion 514(b)(2)(A) of the Foreign Assistance Act of
11 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by
12 striking ‘and 2014’ and inserting ‘, 2014, and
13 2015’.”.

14 (c) AMENDMENTS TO REQUIREMENTS RELATING TO
15 ASSESSMENT OF ISRAEL’S QUALITATIVE MILITARY EDGE
16 OVER MILITARY THREATS.—

17 (1) ASSESSMENT REQUIRED; REPORTS.—Sec-
18 tion 201 of Public Law 110–429 (122 Stat. 4843;
19 22 U.S.C. 2776 note) is amended—

20 (A) in subsection (a), by striking “an on-
21 going basis” and inserting “a biennial basis”;
22 and

23 (B) in subsection (c)(2)—

24 (i) in the heading, by striking “QUAD-
25 RENNIAL” and inserting “BIENNIAL”; and

1 (ii) in the text, by striking “Not later
2 than four years after the date on which the
3 President transmits the initial report
4 under paragraph (1), and every four years
5 thereafter,” and inserting “Not later than
6 one year after the date of the enactment of
7 the United States-Israel Strategic Partner-
8 ship Act of 2014, and biennially there-
9 after,”.

10 (2) REPORT.—

11 (A) IN GENERAL.—Not later than 90 days
12 after the date of the enactment of this Act, the
13 Secretary of State shall submit to the appro-
14 priate congressional committees a report on—

15 (i) the range of cyber and asymmetric
16 threats posed to Israel by state and non-
17 state actors; and

18 (ii) the joint efforts of the United
19 States and Israel to address the threats
20 identified in clause (i).

21 (B) FORM.—The report required under
22 subparagraph (A) shall be submitted in unclas-
23 sified form, but may contain a classified annex.

24 (C) APPROPRIATE CONGRESSIONAL COM-
25 MITTEES DEFINED.—In this paragraph, the

1 term “appropriate congressional committees”
2 means the Committee on Foreign Affairs of the
3 House of Representatives and the Committee
4 on Foreign Relations of the Senate.

5 **SEC. 102. AUTHORIZATION OF ASSISTANCE FOR ISRAEL.**

6 (a) FINDING.—Congress finds that Israel has adopt-
7 ed high standards in the field of export controls, including
8 by becoming adherent to the Australia Group, the Missile
9 Technology Control Regime, the Nuclear Suppliers Group,
10 and the Wassenaar Arrangement control lists, and by en-
11 acting robust legislation and regulations for the control
12 of dual-use and defense items.

13 (b) EXPEDITED LICENSING PROCEDURES.—

14 (1) IN GENERAL.—The President shall direct
15 the Secretary of State to undertake discussions with
16 Israel to identify the steps required to be taken to
17 include Israel within the list of countries described
18 in section 740.20(c)(1) of title 15, Code of Federal
19 Regulations (relating to eligibility for Strategic
20 Trade Authorization).

21 (2) REPORT.—

22 (A) IN GENERAL.—Not later than 180
23 days after the date of the enactment of this
24 Act, and every 180 days thereafter for a period
25 of 3 years or until such time that Israel is in-

1 cluded on the list of countries determined as eli-
2 gible for the Strategic Trade Authorization,
3 whichever occurs first, the President shall sub-
4 mit to the Committee on Foreign Affairs of the
5 House of Representatives and the Committee
6 on Foreign Relations and the Committee on
7 Banking, Housing, and Urban Affairs of the
8 Senate a report on the following:

9 (i) The current status of negotiations.

10 (ii) The reasons that Israel has not
11 yet been determined as eligible for the
12 Strategic Trade Authorization.

13 (B) FORM.—The report required by sub-
14 paragraph (A) shall be submitted in unclassi-
15 fied form but may contain a classified annex.

16 (c) LICENSING TREATMENT AS MTCR ADHERENT.—
17 The President shall direct the Secretary of Commerce to
18 ensure that, subject to the requirements of section 6(l) of
19 the Export Administration Act of 1979 (50 U.S.C. App.
20 2405(l)) (as continued in effect pursuant to the Inter-
21 national Emergency Economic Powers Act), Israel is
22 treated no less favorably than other members or adherents
23 to the Missile Technology Control Regime designated in
24 Country Group A:2 in Supplement No. 1 to part 740 of
25 title 15, Code of Federal Regulations.

1 (d) OVERSEAS PRIVATE INVESTMENT CORPORA-
2 TION.—In carrying out its authorities under title IV of
3 chapter 2 of part I of the Foreign Assistance Act of 1961
4 (22 U.S.C. 2191 et seq.), the Overseas Private Investment
5 Corporation should consider giving preference to providing
6 insurance, financing, or reinsurance for energy and water
7 projects in Israel.

8 (e) ENERGY, WATER, AGRICULTURE, AND ALTER-
9 NATIVE FUEL TECHNOLOGIES.—

10 (1) IN GENERAL.—The President is authorized
11 to carry out cooperative activities with Israel and to
12 provide assistance to Israel that promotes coopera-
13 tion in the fields of energy, water, agriculture, alter-
14 native fuel technologies, and civil space, where ap-
15 propriate and pursuant to existing law.

16 (2) REQUIREMENTS.—In carrying out para-
17 graph (1), the President is authorized to share and
18 exchange with Israel research, technology, intel-
19 ligence, information, equipment, and personnel that
20 the President determines will advance the national
21 security interests of the United States and is con-
22 sistent with the Strategic Dialogue and pertinent
23 provisions of law—

24 (A) by enhancing scientific cooperation be-
25 tween Israel and the United States; or

1 (B) by the sale, lease, exchange in kind, or
2 other techniques the President determines to be
3 suitable.

4 (f) COOPERATIVE RESEARCH PILOT PROGRAMS.—

5 (1) IN GENERAL.—The Secretary of Homeland
6 Security, acting through the Director of the Home-
7 land Security Advanced Research Projects Agency
8 and with the concurrence of the Secretary of State,
9 is authorized to enter into cooperative research pilot
10 programs with Israel to enhance Israel's capabilities
11 in the following areas:

12 (A) Border, maritime, and aviation secu-
13 rity.

14 (B) Explosives detection.

15 (C) Emergency services.

16 (2) AUTHORIZATION OF APPROPRIATIONS.—For
17 fiscal year 2014, there are authorized to be appro-
18 priated to the Secretary of Homeland Security—

19 (A) \$1,000,000 to carry out paragraph
20 (1)(A);

21 (B) \$1,000,000 to carry out paragraph
22 (1)(B); and

23 (C) \$1,000,000 to carry out paragraph
24 (1)(C).

1 **SEC. 103. UNITED STATES-ISRAEL COOPERATION ON**
2 **CYBER-SECURITY.**

3 It is a sense of Congress that the United States and
4 Israel should take steps and explore avenues to increase
5 cooperation on cyber-security.

6 **SEC. 104. STATEMENT OF UNITED STATES POLICY REGARD-**
7 **ING ISRAEL'S DEFENSE SYSTEMS.**

8 (a) FINDINGS.—Congress—

9 (1) commends the first phase completion of the
10 David's Sling Weapon System (DSWS) by the Israel
11 Missile Defense Organization and the U.S. Missile
12 Defense Agency, which is designed to provide addi-
13 tional opportunities for interception by the joint
14 United States-Israel Arrow Weapon System (Arrow
15 2 and Arrow 3);

16 (2) congratulates the Israel Missile Defense Or-
17 ganization and the U.S. Missile Defense Agency on
18 successfully executing the Arrow 3 flyout of a more
19 advanced interceptor, which will improve Israel's de-
20 fenses against upper tier ballistic missile threats
21 from nations including Iran;

22 (3) recognizes that during Operation Pillar of
23 Defense in November 2012, Israel deployed Iron
24 Dome short-range rocket defense batteries to inter-
25 cept Hamas-launched rockets fired from Gaza—of
26 those rockets that posed a threat to the life of

1 Israeli citizens, 80 to 85 percent were successfully
2 intercepted, saving countless lives; and

3 (4) agrees that, as stated by former Secretary
4 of Defense Leon Panetta, “Iron Dome performed, I
5 think it’s fair to say, remarkably well during the re-
6 cent escalation . . . Iron Dome does not start wars.
7 It helps prevent wars.”.

8 (b) STATEMENT OF POLICY.—It should be the policy
9 of the United States that the President, acting through
10 the Secretary of Defense and the Secretary of State,
11 should provide assistance, upon request by the Govern-
12 ment of Israel, for the enhancement of the David’s Sling
13 Weapon System, the enhancement of the joint United
14 States-Israel Arrow Weapon System (Arrow 2 and Arrow
15 3), and the procurement and enhancement of the Iron
16 Dome short-range rocket defense system for purposes of
17 intercepting short-range rockets, missiles, and other pro-
18 jectiles launched against Israel.

19 **SEC. 105. REPORT ON OTHER MATTERS.**

20 (a) SENSE OF CONGRESS.—It is the sense of Con-
21 gress that—

22 (1) the United States and Israel should con-
23 tinue collaborative efforts to enhance Israel’s mili-
24 tary capabilities, including through the transfer of
25 advanced combat aircraft, active phased array radar,

1 military tanker-transport, other multi-mission mili-
2 tary aircraft, advanced or specialized munitions, and
3 through joint training and exercise opportunities in
4 the United States;

5 (2) the United States and Israel should expedi-
6 tiously conclude an updated Memorandum of Under-
7 standing regarding United States security assistance
8 in order to help Israel meet its unique security re-
9 quirements and uphold its qualitative military edge;

10 (3) the United States should ensure that Israel
11 has timely access to important military equipment,
12 including by augmenting the forward deployed
13 United States War Reserve Stockpile in Israel and
14 by continuing to provide Israel with critical military
15 equipment and spare parts through the Department
16 of Defense's Excess Defense Articles program; and

17 (4) the United States should continue to sup-
18 port Israel's inherent right of self-defense.

19 (b) REPORT.—

20 (1) IN GENERAL.—Not later than 120 days
21 after the date of the enactment of this Act, the
22 Comptroller General of the United States shall sub-
23 mit to the appropriate congressional committees a
24 report that—

1 (A) reviews the progress made toward the
2 actions and efforts identified in the report re-
3 quired under section 6(b) of the United States-
4 Israel Enhanced Security Cooperation Act of
5 2012 (Public Law 112–150; 22 U.S.C.
6 8604(b)); and

7 (B) provides policy recommendations, if
8 necessary.

9 (2) FORM.—The report required by paragraph
10 (1) may include a classified annex.

11 (3) APPROPRIATE CONGRESSIONAL COMMIT-
12 TEES DEFINED.—In this subsection, the term “ap-
13 propriate congressional committees” means—

14 (A) the Committee on Foreign Affairs and
15 the Committee on Armed Services of the House
16 of Representatives; and

17 (B) the Committee on Foreign Relations
18 and the Committee on Armed Services of the
19 Senate.

20 **SEC. 106. STATEMENT OF POLICY.**

21 It shall be the policy of the United States to include
22 Israel in the list of countries that participate in the visa
23 waiver program under section 217 of the Immigration and
24 Nationality Act (8 U.S.C. 1187) when Israel satisfies, and

1 as long as Israel continues to satisfy, the requirements for
2 inclusion in such program specified in such section.

3 **SEC. 107. SENSE OF CONGRESS.**

4 It is the sense of Congress that the Department of
5 State should continue and, to the furthest extent prac-
6 ticable, increase its coordination on monitoring and com-
7 bating anti-Semitism with the Government of Israel.

8 **TITLE II—UNITED STATES-**
9 **ISRAEL ENERGY COOPERATION**

10 **SEC. 201. UNITED STATES-ISRAEL ENERGY COOPERATION.**

11 (a) FINDINGS.—Section 917(a) of the Energy Inde-
12 pendence and Security Act of 2007 (42 U.S.C. 17337(a))
13 is amended—

14 (1) in paragraph (1), by striking “renewable”
15 and inserting “covered”;

16 (2) in paragraph (4)—

17 (A) by striking “possible many” and in-
18 serting “possible—

19 “(A) many”;

20 (B) by inserting “and” after the semicolon
21 at the end; and

22 (C) by adding at the end the following:

23 “(B) significant contributions to the devel-
24 opment of renewable energy and energy effi-
25 ciency through the established programs of the

1 United States-Israel Binational Industrial Re-
2 search and Development Foundation and the
3 United States-Israel Binational Science Foun-
4 dation;”;

5 (3) in paragraph (6)—

6 (A) by striking “renewable” and inserting
7 “covered”; and

8 (B) by striking “and” after the semicolon
9 at the end;

10 (4) in paragraph (7)—

11 (A) by striking “renewable” and inserting
12 “covered”; and

13 (B) by striking the period at the end and
14 inserting a semicolon; and

15 (5) by adding at the end the following:

16 “(8) United States-Israel energy cooperation,
17 and the development of natural resources by Israel,
18 are strategic interests of the United States;

19 “(9) Israel is a strategic partner of the United
20 States in water technology;

21 “(10) the United States can play a role in as-
22 sisting Israel with regional safety and security
23 issues;

1 “(11) the National Science Foundation of the
2 United States should collaborate with the Israel
3 Science Foundation;

4 “(12) the United States and Israel should strive
5 to develop more robust academic cooperation in en-
6 ergy innovation technology and engineering, water
7 science, technology transfer, and analysis of geo-
8 political implications of new natural resource devel-
9 opment and associated areas;

10 “(13) the United States supports the goals of
11 the Alternative Fuels Administration of Israel;

12 “(14) the United States strongly urges open
13 dialogue and continued mechanisms for regular en-
14 gagement and encourages further cooperation be-
15 tween applicable departments, agencies, ministries,
16 institutions of higher education, and the private sec-
17 tors of the United States and Israel on energy secu-
18 rity issues, including—

19 “(A) identifying policy priorities associated
20 with the development of natural resources of
21 Israel;

22 “(B) discussing best practices to secure
23 cyber energy infrastructure;

24 “(C) best practice sharing;

1 “(D) leveraging natural gas to positively
2 impact regional stability;

3 “(E) improving energy efficiency and the
4 overall performance of water technologies
5 through research and development in water de-
6 salination, wastewater treatment and reclama-
7 tion, and other water treatment technologies;

8 “(F) technical and environmental manage-
9 ment of deep-water exploration and production;

10 “(G) coastal protection and restoration;

11 “(H) academic outreach and engagement;

12 “(I) private sector and business develop-
13 ment engagement;

14 “(J) regulatory consultations;

15 “(K) leveraging alternative transportation
16 fuels and technologies; and

17 “(L) any other areas determined appro-
18 priate by the United States and Israel;

19 “(15) the United States acknowledges the
20 achievements and importance of the United States-
21 Israel Binational Industrial Research and Develop-
22 ment Foundation and the United States-Israel Bina-
23 tional Science Foundation and supports continued
24 multiyear funding to ensure the continuity of the
25 programs of the Foundations; and

1 “(16) the United States and Israel have a
2 shared interest in addressing their immediate, near-
3 term, and long-term energy and environmental chal-
4 lenges.”.

5 (b) ESTABLISHMENT.—Section 917(b)(1) of the En-
6 ergy Independence and Security Act of 2007 (42 U.S.C.
7 17337(b)(1)) is amended by striking “renewable energy
8 or energy efficiency” and inserting “covered energy”.

9 (c) TYPES OF ENERGY.—Section 917(b)(2) of the
10 Energy Independence and Security Act of 2007 (42
11 U.S.C. 17337(b)(2)) is amended—

12 (1) in the heading, by striking “TYPES OF” and
13 inserting “COVERED”;

14 (2) in subparagraph (F), by striking “and”
15 after the semicolon at the end;

16 (3) in subparagraph (G), by striking the period
17 at the end and inserting a semicolon; and

18 (4) by adding at the end the following:

19 “(H) natural gas energy, including conven-
20 tional and unconventional natural gas tech-
21 nologies and natural gas projects conducted by
22 or in conjunction with the United States-Israel
23 Binational Science Foundation, the United
24 States-Israel Binational Industrial Research
25 and Development Foundation, and the United

1 States-Israel Science and Technology Founda-
2 tion; and

3 “(I) improvement of energy efficiency and
4 the overall performance of water technologies
5 through research and development in water de-
6 salination, wastewater treatment and reclama-
7 tion, and other water treatment technologies.”.

8 (d) ELIGIBLE APPLICANTS.—Section 917(b)(3) of
9 the Energy Independence and Security Act of 2007 (42
10 U.S.C. 17337(b)(3)) is amended by striking “energy effi-
11 ciency or renewable” and inserting “covered”.

12 (e) AUTHORIZATION OF APPROPRIATIONS; INTER-
13 NATIONAL PARTNERSHIPS.—Section 917 of the Energy
14 Independence and Security Act of 2007 (42 U.S.C.
15 17337) is amended—

16 (1) by redesignating subsections (c) and (d) as
17 subsections (e) and (f), respectively;

18 (2) by inserting after subsection (b) the fol-
19 lowing:

20 “(c) INTERNATIONAL PARTNERSHIPS.—

21 “(1) IN GENERAL.—The Secretary may, subject
22 to the availability of appropriations, enter into coop-
23 erative agreements supporting and enhancing dia-
24 logue and planning involving international partner-
25 ships between the Department, including National

1 Laboratories of the Department, and the Govern-
2 ment of Israel and its ministries, offices, and institu-
3 tions.

4 “(2) FEDERAL SHARE.—The Secretary may not
5 pay more than 50 percent of the costs described in
6 paragraph (1).

7 “(3) ANNUAL REPORTS.—The Secretary shall
8 submit to the Committee on Energy and Commerce,
9 the Committee on Science, Space, and Technology,
10 the Committee on Foreign Affairs, and the Com-
11 mittee on Appropriations of the House of Represent-
12 atives and the Committee on Energy and Natural
13 Resources, the Committee on Foreign Relations, and
14 the Committee on Appropriations of the Senate an
15 annual report that describes—

16 “(A) actions taken to carry out this sub-
17 section; and

18 “(B) any projects under this subsection for
19 which the Secretary requests funding.

20 “(d) UNITED STATES-ISRAEL CENTER.—The Sec-
21 retary may establish a joint United States-Israel Center
22 based in an area of the United States with the experience,
23 knowledge, and expertise in offshore energy development
24 to further dialogue and collaboration to develop more ro-
25 bust academic cooperation in energy innovation technology

1 and engineering, water science, technology transfer, and
2 analysis of geopolitical implications of new natural re-
3 source development and associated areas.”; and

4 (3) by amending subsection (f) (as redesignig-
5 nated) to read as follows:

6 “(f) AUTHORIZATION OF APPROPRIATIONS.—Of the
7 amounts made available under section 931 of the Energy
8 Policy Act of 2005 (42 U.S.C. 16231), the Secretary is
9 authorized to use \$2,000,000 for each fiscal year to carry
10 out this section.”.

11 (f) TERMINATION.—Subsection (e) of section 917 of
12 the Energy Independence and Security Act of 2007 (42
13 U.S.C. 17337) (as redesignated by subsection (e)(1)) is
14 amended by striking “the date that is 7 years after the
15 date of enactment of this Act” and inserting “September
16 30, 2021”.

17 **TITLE III—OFFSET**

18 **SEC. 301. OFFSET.**

19 Section 102(a) of the Enhanced Partnership with
20 Pakistan Act of 2009 (Public Law 111–73) is amended
21 by striking “\$1,500,000,000” and inserting
22 “\$1,487,000,000”.