

108TH CONGRESS  
2D SESSION

# H. R. 5342

To establish a grant program to fund eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2004

Mr. SHERMAN (for himself, Mr. ENGEL, and Mr. CARDOZA) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To establish a grant program to fund eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, 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.**

4 This Act may be cited as the “United States-Israel  
5 Energy Cooperation Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1           (1) It is in the highest national security inter-  
2           ests of the United States to ensure secure access to  
3           reliable energy sources.

4           (2) The United States relies heavily upon the  
5           foreign supply of crude oil to meet its energy needs,  
6           currently importing 58 percent of its total oil re-  
7           quirements, of which 45 percent comes from member  
8           states of the Organization of Petroleum Exporting  
9           Countries (OPEC).

10          (3) Revenues from the sale of oil by some of  
11          these countries directly or indirectly provide funding  
12          for terrorism and propaganda hostile to the United  
13          States and Western values.

14          (4) In the past, these countries have manipu-  
15          lated the dependence of the United States on their  
16          oil supplies to exert undue influence upon United  
17          States policy, as during OPEC's 1973 embargo on  
18          the sale of oil to the United States, which became  
19          a major factor in the ensuing recession.

20          (5) Research by the Energy Information Ad-  
21          ministration of the Department of Energy has  
22          shown that the dependence of the United States on  
23          foreign oil will increase by 33 percent over the next  
24          20 years.

1           (6) A rise in the price of imported oil sufficient  
2           to increase gasoline prices by 10 cents per gallon at  
3           the pump would result in an additional outflow of 18  
4           billion dollars from the United States to oil-export-  
5           ing nations.

6           (7) For economic and national security reasons,  
7           the United States should reduce, as soon as possible,  
8           its dependence on nations that do not share its in-  
9           terests and values.

10          (8) The state of Israel has been a steadfast ally  
11          and a close friend of the United States since its cre-  
12          ation in 1948.

13          (9) Like the United States, Israel is a democ-  
14          racy which holds civil rights and liberties in the  
15          highest regard and is a proponent of the democratic  
16          values of peace, freedom, and justice.

17          (10) Cooperation between the United States and  
18          Israel on such projects as the development of the  
19          Arrow Missile has resulted in mutual benefits to  
20          United States and Israeli security.

21          (11) The special relationship between Israel and  
22          the United States has been and continues to be  
23          manifested in a variety of jointly-funded cooperative  
24          programs in the field of scientific research and de-  
25          velopment, such as the United States-Israel Bina-

1 tional Science Foundations (BSF), the United  
2 States-Israel Binational Agricultural Research and  
3 Development Fund (BARD), and the United States-  
4 Israel Binational Industrial Research and Develop-  
5 ment (BIRD) Foundation.

6 (12) These programs, supported by the match-  
7 ing contributions from the Government of Israel and  
8 the Government of the United States and directed  
9 by key scientists and academics from both countries,  
10 have made possible many scientific breakthroughs in  
11 the fields of life sciences, medicine, bioengineering,  
12 agriculture, biotechnology, communications, and oth-  
13 ers.

14 (13) Israeli scientists and researchers have long  
15 been at the forefront of research and development in  
16 the field of alternative renewable energy sources.

17 (14) Many of the world's top corporations have  
18 recognized Israel's technological and scientific exper-  
19 tise by locating important research and development  
20 facilities in Israel.

21 (15) Among the technological breakthroughs  
22 made by Israeli scientists and researchers in the  
23 field of alternative, renewable energy sources are the  
24 development of a cathode that uses hexavalent iron  
25 salts which accept 3 electrons per ion and enable re-

1 chargeable batteries to provide 3 times as much elec-  
2 tricity as they currently do, the development of a  
3 technique that vastly increases the efficiency of uti-  
4 lizing solar energy to generate hydrogen for use in  
5 energy cells, and the development of a novel mem-  
6 brane utilized in new and powerful direct-oxidant  
7 fuel cells which is capable of competing favorably  
8 with hydrogen fuel cells and traditional internal  
9 combustion engines.

10 (16) Cooperation between the United States  
11 and Israel in the field of research and development  
12 of alternative renewable energy sources would be in  
13 the interests of both countries, and both countries  
14 stand to gain much from such cooperation.

15 **SEC. 3. GRANT PROGRAM.**

16 (a) ESTABLISHMENT.—The Assistant Secretary of  
17 Energy for Policy and International Affairs (hereafter re-  
18 ferred to as the “Assistant Secretary”) shall establish a  
19 grant program to award grants to eligible entities.

20 (b) ELIGIBLE ENTITIES.—For the purposes of this  
21 Act, “eligible entity” means a joint venture comprised of  
22 both Israeli and United States private business entities or  
23 a joint venture comprised of both Israeli academic persons  
24 (who reside and work in Israel) and United States aca-  
25 demic persons, which—

1 (1) carries out an eligible project; and

2 (2) is selected by the BIRD or BSF using the  
3 criteria established by the International Energy Ad-  
4 visory Board established under section 4.

5 (c) ELIGIBLE PROJECTS.—For the purposes of this  
6 Act, “eligible project” means a project to encourage co-  
7 operation between the United States and Israel on re-  
8 search, development, and commercialization of alternative  
9 energy, improved energy efficiency, and renewable energy  
10 sources.

11 (d) APPLICATION.—

12 (1) SUBMISSION OF APPLICATIONS TO BIRD OR  
13 BSF.—To receive a grant under this section, an eli-  
14 gible entity must submit an application to BIRD or  
15 BSF containing such information and assurances as  
16 the Directors of BIRD and BSF may require.

17 (2) SELECTION OF ELIGIBLE ENTITIES BY BIRD  
18 AND BSF.—The Directors of BIRD and BSF may  
19 review any application submitted by any eligible en-  
20 tity and select any eligible entity meeting criteria es-  
21 tablished by the Advisory Board for a grant under  
22 this section.

23 (e) AMOUNT OF GRANT.—The amount of each grant  
24 to be awarded in a fiscal year under this section shall be  
25 determined by BIRD or BSF.

1 (f) REPORT.—Not later than 6 months after receiv-  
2 ing a grant under this section, each recipient shall submit  
3 a report to the Assistant Secretary documenting how the  
4 recipient used the grant funds and evaluating the level of  
5 success of each project funded by the grant.

6 **SEC. 4. INTERNATIONAL ENERGY ADVISORY BOARD.**

7 (a) ESTABLISHMENT.—There is established in the  
8 Department of Energy an International Energy Advisory  
9 Board (hereafter referred to as the “Advisory Board”).

10 (b) DUTIES.—The Advisory Board shall—

11 (1) establish criteria for the recipients of grants  
12 awarded under the grant program established in sec-  
13 tion 3(a); and

14 (2) determine the total amount of grant money  
15 to be awarded to all grantees selected by BIRD and  
16 the total amount of grant money to be awarded to  
17 all grantees selected by BSF for each fiscal year.

18 (c) MEMBERSHIP.—

19 (1) NUMBER AND APPOINTMENT.—The Advi-  
20 sory Board shall be composed of 4 members as fol-  
21 lows:

22 (A) One member shall be appointed by the  
23 Secretary of Commerce.

24 (B) One member shall be appointed by the  
25 Secretary of Energy.

1           (C) Two members shall be Israeli citizens  
2           and shall be appointed by the Secretary of En-  
3           ergy after consultation with appropriate offi-  
4           cials in the Israeli government.

5           (2) DEADLINE FOR APPOINTMENTS.—The ap-  
6           pointments under paragraph (1) shall be made be-  
7           fore the expiration of the 60-day period which begins  
8           on the date of the enactment of this Act.

9           (3) TERM.—Each member shall be appointed  
10          for 4 years.

11          (4) VACANCIES.—A vacancy in the Advisory  
12          Board shall be filled in the manner in which the  
13          original appointment was made.

14          (5) BASIC PAY.—

15                (A) COMPENSATION.—Members shall serve  
16                without pay.

17                (B) TRAVEL EXPENSES.—Each member  
18                shall receive travel expenses, including per diem  
19                in lieu of subsistence, in accordance with appli-  
20                cable provisions under subchapter I of chapter  
21                57 of title 5, United States Code.

22          (6) QUORUM.—3 members of the Advisory  
23          Board shall constitute a quorum.



1           (7) CHAIR.—The Chair shall be designated by  
2           the Secretary of Energy at the time of the appoint-  
3           ment.

4           (8) MEETINGS.—The Commission shall meet at  
5           least once annually at the call of the Chair.

6           (d) TERMINATION.—Section 14(a)(2)(B) of the Fed-  
7           eral Advisory Committee Act (5 U.S.C. App.; relating to  
8           the termination of advisory committees) shall not apply  
9           to the Advisory Board.

10 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

11           There is authorized to be appropriated to carry out  
12           this Act \$30,000,000 for fiscal year 2005 and each suc-  
13           ceeding fiscal year.

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