

119TH CONGRESS  
1ST SESSION

# H. R. 3138

To modify the dollar amount thresholds relating to transfers of defense articles and defense services under the Arms Export Control Act, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2025

Mr. DAVIDSON introduced the following bill; which was referred to the  
Committee on Foreign Affairs

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## A BILL

To modify the dollar amount thresholds relating to transfers of defense articles and defense services under the Arms Export Control Act, 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 “Foreign Military Sales  
5       Reform Act of 2025”.

1 **SEC. 2. MODIFICATION OF DOLLAR AMOUNT THRESHOLDS**  
2 **RELATING TO TRANSFERS OF DEFENSE ARTI-**  
3 **CLES AND DEFENSE SERVICES UNDER THE**  
4 **ARMS EXPORT CONTROL ACT.**

5 The Arms Export Control Act is amended as follows:

6 (1) In section 3(d) (22 U.S.C. 2753(d))—

7 (A) in paragraph (1)—

8 (i) by striking “\$14,000,000” and in-  
9 serting “\$23,000,000”; and

10 (ii) by striking “\$50,000,0000” and  
11 inserting “\$83,000,000”; and

12 (B) in paragraph (3)(A)—

13 (i) by striking “\$14,000,000” and in-  
14 serting “\$23,000,000”; and

15 (ii) by striking “\$50,000,0000” and  
16 inserting “\$83,000,000”.

17 (2) In section 36(b) (22 U.S.C. 2776(b))—

18 (A) in paragraph (1)—

19 (i) by striking “\$50,000,0000” and  
20 inserting “\$83,000,000”;

21 (ii) by striking “\$200,000,000” and  
22 inserting “\$332,000,000”; and

23 (iii) by striking “\$14,000,000” and  
24 inserting “\$23,000,000”;

25 (B) in paragraph (5)(C)—

1 (i) by striking “\$14,000,000” and in-  
2 serting “\$23,000,000”;

3 (ii) by striking “\$50,000,0000” and  
4 inserting “\$83,000,000”; and

5 (iii) by striking “\$200,000,000” and  
6 inserting “\$332,000,000”; and

7 (C) in paragraph (6)—

8 (i) in subparagraph (A), by striking  
9 “\$25,000,000” and inserting  
10 “\$42,000,000”;

11 (ii) in subparagraph (B), by striking  
12 “\$100,000,0000” and inserting  
13 “\$166,000,000”; and

14 (iii) in subparagraph (C), by striking  
15 “\$300,000,000” and inserting  
16 “\$500,000,000”.

17 (3) In section 36(c) (22 U.S.C. 2776(c))—

18 (A) in paragraph (1)—

19 (i) by striking “\$14,000,000” and in-  
20 serting “\$23,000,000”; and

21 (ii) by striking “\$50,000,0000” and  
22 inserting “\$83,000,000”; and

23 (B) in paragraph (5)—

1 (i) in subparagraph (A), by striking  
2 “\$25,000,000” and inserting  
3 “\$42,000,000”; and  
4 (ii) in subparagraph (B), by striking  
5 “\$100,000,000” and inserting  
6 “\$166,000,000”.

7 **SEC. 3. REPORT.**

8 The Office of the Inspector General of the Depart-  
9 ment of State shall submit to Congress a report on any  
10 activity of structuring payments to circumvent the dollar  
11 amount thresholds of congressional notification and review  
12 with respect to transfers of defense articles and defense  
13 services under the Arms Export Control Act.

14 **SEC. 4. PROHIBITION ON CERTAIN ACTIVITIES OF FED-**  
15 **ERAL EMPLOYEES.**

16 No Federal employee may intentionally or knowingly  
17 structure, assist in structuring, or attempt to structure  
18 or assist in structuring any transfer of defense articles and  
19 defense services under the Arms Export Control Act to  
20 circumvent congressional reporting thresholds under that  
21 Act.

22 **SEC. 5. IMPOSITION OF PENALTIES ON DEPARTMENT OF**  
23 **STATE EMPLOYEES.**

24 Any employee of the Department of State who is  
25 found to have knowingly structured payments relating to

1 transfers of defense articles or defense services to cir-  
2 cumvent requirements relating to congressional notifica-  
3 tion and review of such transfers under the Arms Export  
4 Control Act—

5           (1) shall be barred from employment in Federal  
6       service; and

7           (2) shall be subject to civil penalties in the  
8       amount of \$100,000.

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