

UNITED STATES-ISRAEL ADVANCED RESEARCH
 PARTNERSHIP ACT OF 2016

NOVEMBER 15, 2016.—Committed to the Committee of the Whole House on the
 State of the Union and Ordered to be printed

Mr. McCAUL, from the Committee on Homeland Security,
 submitted the following

R E P O R T

[To accompany H.R. 5877]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security, to whom was referred the bill (H.R. 5877) to amend the Homeland Security Act of 2002 and the United States-Israel Strategic Partnership Act of 2014 to promote cooperative homeland security research and antiterrorism programs relating to cybersecurity, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “United States-Israel Advanced Research Partnership Act of 2016”.

SEC. 2. COOPERATIVE HOMELAND SECURITY RESEARCH AND ANTITERRORISM PROGRAMS RELATING TO CYBERSECURITY.

(a) **HOMELAND SECURITY ACT OF 2002.**—Section 317 of the Homeland Security Act of 2002 (6 U.S.C. 195c) is amended—

(1) in subsection (e)—

(A) in paragraph (1), by striking “and” after the semicolon;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by inserting after paragraph (2) the following new paragraphs:

“(3) for international cooperative activities identified in the previous reporting period, a status update on the progress of such activities, including whether goals were realized, explaining any lessons learned, and evaluating overall success; and

“(4) a discussion of obstacles encountered in the course of forming, executing, or implementing agreements for international cooperative activities, including administrative, legal, or diplomatic challenges or resource constraints.”;

(2) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(3) by inserting after subsection (f) the following new subsection:

“(g) **CYBERSECURITY.**—As part of the international cooperative activities authorized in this section, the Under Secretary, in coordination with the Department of State and appropriate Federal officials, may enter into cooperative research activities with Israel to strengthen preparedness against cyber threats and enhance capabilities in cybersecurity.”.

(b) **UNITED STATES-ISRAEL STRATEGIC PARTNERSHIP ACT OF 2014.**—Subsection (c) of section 7 of the United States-Israel Strategic Partnership Act of 2014 (Public Law 113–296; 22 U.S.C. 8606) is amended—

(1) in the heading, by striking “PILOT”;

(2) in the matter preceding paragraph (1), by striking “pilot”;

(3) in paragraph (2), by striking “and” at the end;

(4) in paragraph (3), by striking the period at the end and inserting “; and”;

and

(5) by adding at the end the following new paragraph:

“(4) cybersecurity.”.

SEC. 3. PROHIBITION ON ADDITIONAL FUNDING.

No additional funds are authorized to be appropriated to carry out this Act or the amendments made by this Act.

PURPOSE AND SUMMARY

H.R. 5877, the United States-Israel Advanced Research Partnership Act of 2016 expands and builds on an existing joint research and development program between the U.S. Department of Homeland Security (DHS), Science and Technology Directorate (S&T), Homeland Security Advanced Research Projects Agency (HSARPA) and the Israeli Ministry of Public Security to include cybersecurity research and development.

Currently, the United States-Israel Strategic Partnership Act of 2014 authorizes the Secretary of DHS, acting through the Director of HSARPA, to conduct Cooperative Research Pilot Programs with the State of Israel to enhance capabilities in border, maritime and aviation security, as well as explosives detection and emergency services. H.R. 5877 amends the United States-Israel Strategic Partnership Act of 2014 to remove the ‘pilot’ designation and add cybersecurity as a fourth program area for cooperative research.

Additionally, H.R. 5877 amends section 317 of the Homeland Security Act of 2002 (Pub. L. 107–296) (which requires the S&T Di-

rectorate to carry out international cooperative activities related to homeland security) to authorize the Under Secretary of S&T, in coordination with the U.S. Department of State and other appropriate Federal officials, to enter into cooperative research activities with the State of Israel to strengthen cybersecurity capabilities.

BACKGROUND AND NEED FOR LEGISLATION

The Department of Homeland Security S&T has maintained a close working relationship with the State of Israel in the area of homeland security research and development. In May 2008, the United States and Israel signed an “Agreement on Cooperation in Science and Technology for Homeland Security Matters,” which covers mutual interest in research, development, testing and evaluation relating to homeland security.¹

In June 2016, Deputy Secretary of Homeland Security Alejandro Mayorkas traveled to Israel and met with the Head of the National Cyber Bureau and signed a Letter of Intent to increase cybersecurity information sharing between the two countries. Israel has also stated its intent to be a part of the Automated Indicator Sharing (AIS) program at DHS.²

Additionally, S&T has partnered closely with the U.S. Binational Industrial Research and Development (BIRD) Foundation on the development of technology for first responders.

HEARINGS

No hearings were held on H.R. 5877 in the 114th Congress.

COMMITTEE CONSIDERATION

The Committee met on September 13, 2016, to consider H.R. 5877, and ordered the measure to be reported to the House with a favorable recommendation, as amended, by voice vote. The Committee took the following actions:

The following amendments were offered:

An Amendment in the Nature of a Substitute offered by MR. RATCLIFFE (#1); was AGREED TO, as amended, by voice vote.

An Amendment by MR. RICHMOND to the Amendment in the Nature of a Substitute (#1A); was AGREED TO by voice vote.

Page 1, line 10, insert the following (and make necessary conforming changes):

(1) in subsection (e)-

(A) in paragraph (1), by striking “and” after the semicolon; (B) in paragraph (2), by striking the period at the end and inserting “; and”; and (C) by inserting after paragraph (2) the following new paragraphs:

“(3) for international cooperative activities identified in the previous reporting period, a status update on the progress of such activities, including whether goals were realized, explaining any lessons learned, and evaluating overall success; and
“(4) a discussion of obstacles encountered in the course of forming, executing, or implementing agreements for international cooperative activities, including administrative, legal, or diplomatic challenges or resource constraints.”.

¹Agreement 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. May 29, 2008. Accessed at: https://www.dhs.gov/xlibrary/assets/agreement_us_israel_sciencetech_cooperation_2008-05-29.pdf.

²Department of Homeland Security, Readout of Deputy Secretary Mayorkas’ Trip to Israel. June 22nd, 2016. Accessed at: <https://www.dhs.gov/news/2016/06/22/readout-deputy-secretary-mayorkas-trip-israel>.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto.

No recorded votes were requested during consideration of H.R. 5877.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held oversight hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 5877, the United States-Israel Advanced Research Partnership Act of 2016, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 22, 2016.

Hon. MICHAEL MCCAUL,
*Chairman, Committee on Homeland Security,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5877, the United States-Israel Advanced Research Partnership Act of 2016.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Grabowicz.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 5877—United States-Israel Advanced Research Partnership Act of 2016

H.R. 5877 would authorize the Department of Homeland Security (DHS) to enter into cooperative research agreements with Israel to improve cybersecurity. DHS is currently carrying out activities similar to those required by the bill; thus, CBO estimates that implementing H.R. 5877 would not significantly affect spending by DHS. Because enacting the legislation would not affect direct spending or revenues, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 5877 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 5877 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, H.R. 5877 contains the following general performance goals and objectives, including outcome related goals and objectives authorized.

This legislation authorizes an expansion of the United States-Israel Advanced Research Partnership Act of 2016 to include research and development on cybersecurity capabilities. Additionally, this legislation authorizes the Under Secretary of the Science and Technology Directorate, in coordination with the Department of State and other appropriate Federal officials, to enter into cooperative research activities with the State of Israel to strengthen cybersecurity capabilities.

DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c) of rule XIII, the Committee finds that H.R. 5877 does not contain any provision that establishes or reauthorizes a program known to be duplicative of another Federal program.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

PREEMPTION CLARIFICATION

In compliance with section 423 of the Congressional Budget Act of 1974, requiring the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt State, local, or Tribal law, the Committee finds that H.R. 5877 does not preempt any State, local, or Tribal law.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that H.R. 5877 would require no directed rule makings.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section provides that this bill may be cited as the “United States-Israel Advanced Research Partnership Act of 2016”.

Section 2. Cooperative homeland security research and antiterrorism programs relating to cybersecurity

This section amends section 317 of the Homeland Security Act of 2002 to authorize the Under Secretary of S&T, in coordination with the U.S. Department of State and appropriate Federal officials, to enter into cooperative research activities with the State of Israel to strengthen preparedness against cyber threats and enhance cybersecurity capabilities. This section also adds to current reporting requirements on the international cooperative activities authorized in section 317 to require reporting on the status and progress of cooperative activities and a discussion of obstacles encountered in forming, executing, and implementing agreements.

Additionally, this section amends Section 7(c) of the United States-Israel Strategic Partnership Act of 2014 to ensure continuation of the Cooperative Research Pilot Programs, by striking “pilot” and adding cybersecurity to the list of programs, which currently includes: border, maritime and aviation security; explosives detection; and emergency services.

Section 3. Prohibition on additional funding

This section prohibits additional funds from being appropriated to carry out this Act or the amendments made by this Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

HOMELAND SECURITY ACT OF 2002

* * * * *

TITLE III—SCIENCE AND TECHNOLOGY IN SUPPORT OF HOMELAND SECURITY

* * * * *

SEC. 317. PROMOTING ANTITERRORISM THROUGH INTERNATIONAL COOPERATION PROGRAM.

(a) DEFINITIONS.—In this section:

(1) DIRECTOR.— The term “Director” means the Director selected under subsection (b)(2).

(2) INTERNATIONAL COOPERATIVE ACTIVITY.— The term “international cooperative activity” includes—

(A) coordinated research projects, joint research projects, or joint ventures;

(B) joint studies or technical demonstrations;

(C) coordinated field exercises, scientific seminars, conferences, symposia, and workshops;

(D) training of scientists and engineers;

(E) visits and exchanges of scientists, engineers, or other appropriate personnel;

(F) exchanges or sharing of scientific and technological information; and

(G) joint use of laboratory facilities and equipment.

(b) SCIENCE AND TECHNOLOGY HOMELAND SECURITY INTERNATIONAL COOPERATIVE PROGRAMS OFFICE.—

(1) ESTABLISHMENT.— The Under Secretary shall establish the Science and Technology Homeland Security International Cooperative Programs Office.

(2) DIRECTOR.— The Office shall be headed by a Director, who—

(A) shall be selected, in consultation with the Assistant Secretary for International Affairs, by and shall report to the Under Secretary; and

(B) may be an officer of the Department serving in another position.

(3) RESPONSIBILITIES.—

(A) DEVELOPMENT OF MECHANISMS.— The Director shall be responsible for developing, in coordination with the Department of State and, as appropriate, the Department of Defense, the Department of Energy, and other Federal agencies, understandings and agreements to allow and to support international cooperative activity in support of homeland security.

(B) PRIORITIES.— The Director shall be responsible for developing, in coordination with the Office of International Affairs and other Federal agencies, strategic priorities for international cooperative activity for the Department in support of homeland security.

(C) ACTIVITIES.— The Director shall facilitate the planning, development, and implementation of international cooperative activity to address the strategic priorities developed under subparagraph (B) through mechanisms the Under Secretary considers appropriate, including grants, cooperative agreements, or contracts to or with foreign public or private entities, governmental organizations,

businesses (including small businesses and socially and economically disadvantaged small businesses (as those terms are defined in sections 3 and 8 of the Small Business Act (15 U.S.C. 632 and 637), respectively)), federally funded research and development centers, and universities.

(D) IDENTIFICATION OF PARTNERS.— The Director shall facilitate the matching of United States entities engaged in homeland security research with non-United States entities engaged in homeland security research so that they may partner in homeland security research activities.

(4) COORDINATION.— The Director shall ensure that the activities under this subsection are coordinated with the Office of International Affairs and the Department of State and, as appropriate, the Department of Defense, the Department of Energy, and other relevant Federal agencies or interagency bodies. The Director may enter into joint activities with other Federal agencies.

(c) MATCHING FUNDING.—

(1) IN GENERAL.—

(A) EQUITABILITY.— The Director shall ensure that funding and resources expended in international cooperative activity will be equitably matched by the foreign partner government or other entity through direct funding, funding of complementary activities, or the provision of staff, facilities, material, or equipment.

(B) GRANT MATCHING AND REPAYMENT.—

(i) IN GENERAL.— The Secretary may require a recipient of a grant under this section—

(I) to make a matching contribution of not more than 50 percent of the total cost of the proposed project for which the grant is awarded; and

(II) to repay to the Secretary the amount of the grant (or a portion thereof), interest on such amount at an appropriate rate, and such charges for administration of the grant as the Secretary determines appropriate.

(ii) MAXIMUM AMOUNT.— The Secretary may not require that repayment under clause (i)(II) be more than 150 percent of the amount of the grant, adjusted for inflation on the basis of the Consumer Price Index.

(2) FOREIGN PARTNERS.— Partners may include Israel, the United Kingdom, Canada, Australia, Singapore, and other allies in the global war on terrorism as determined to be appropriate by the Secretary of Homeland Security and the Secretary of State.

(3) LOANS OF EQUIPMENT.— The Director may make or accept loans of equipment for research and development and comparative testing purposes.

(d) FOREIGN REIMBURSEMENTS.—If the Science and Technology Homeland Security International Cooperative Programs Office participates in an international cooperative activity with a foreign partner on a cost-sharing basis, any reimbursements or contributions received from that foreign partner to meet its share of the

project may be credited to appropriate current appropriations accounts of the Directorate of Science and Technology.

(e) REPORT TO CONGRESS ON INTERNATIONAL COOPERATIVE ACTIVITIES.—Not later than one year after the date of enactment of this section, and every 5 years thereafter, the Under Secretary, acting through the Director, shall submit to Congress a report containing—

(1) a brief description of each grant, cooperative agreement, or contract made or entered into under subsection (b)(3)(C), including the participants, goals, and amount and sources of funding; **[and]**

(2) a list of international cooperative activities underway, including the participants, goals, expected duration, and amount and sources of funding, including resources provided to support the activities in lieu of direct funding~~[\.]~~;

(3) *for international cooperative activities identified in the previous reporting period, a status update on the progress of such activities, including whether goals were realized, explaining any lessons learned, and evaluating overall success; and*

(4) *a discussion of obstacles encountered in the course of forming, executing, or implementing agreements for international cooperative activities, including administrative, legal, or diplomatic challenges or resource constraints.*

(f) ANIMAL AND ZOO NOTIC DISEASES.—As part of the international cooperative activities authorized in this section, the Under Secretary, in coordination with the Chief Medical Officer, the Department of State, and appropriate officials of the Department of Agriculture, the Department of Defense, and the Department of Health and Human Services, may enter into cooperative activities with foreign countries, including African nations, to strengthen American preparedness against foreign animal and zoonotic diseases overseas that could harm the Nation’s agricultural and public health sectors if they were to reach the United States.

(g) CYBERSECURITY.—*As part of the international cooperative activities authorized in this section, the Under Secretary, in coordination with the Department of State and appropriate Federal officials, may enter into cooperative research activities with Israel to strengthen preparedness against cyber threats and enhance capabilities in cybersecurity.*

[(g)] (h) CONSTRUCTION; AUTHORITIES OF THE SECRETARY OF STATE.—Nothing in this section shall be construed to alter or affect the following provisions of law:

(1) Title V of the Foreign Relations Authorization Act, Fiscal Year 1979 (22 U.S.C. 2656a et seq.).

(2) Section 112b(c) of title 1, United States Code.

(3) Section 1(e)(2) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(e)(2)).

(4) Sections 2 and 27 of the Arms Export Control Act (22 U.S.C. 2752 and 22 U.S.C. 2767).

(5) Section 622(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2382(c)).

[(h)] (i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary.

* * * * *

UNITED STATES-ISRAEL STRATEGIC PARTNERSHIP ACT OF 2014

* * * * *

SEC. 7. UNITED STATES-ISRAEL COOPERATION ON ENERGY, WATER, HOMELAND SECURITY, AGRICULTURE, AND ALTERNATIVE FUEL TECHNOLOGIES.

(a) IN GENERAL.—The President is authorized, subject to existing law—

- (1) to undertake activities in cooperation with Israel; and
- (2) to provide assistance promoting cooperation in the fields of energy, water, agriculture, and alternative fuel technologies.

(b) REQUIREMENTS.—In carrying out subsection (a), the President is authorized, subject to existing requirements of law and any applicable agreements or understandings between the United States and Israel—

- (1) to share and exchange with Israel research, technology, intelligence, information, equipment, and personnel, including through sales, leases, or exchanges in kind, that the President determines will advance the national security interests of the United States and are consistent with the Strategic Dialogue and pertinent provisions of law; and
- (2) to enhance scientific cooperation between Israel and the United States.

(c) COOPERATIVE RESEARCH **[PILOT]** PROGRAMS.—The Secretary of Homeland Security, acting through the Director of the Homeland Security Advanced Research Projects Agency and with the concurrence of the Secretary of State, is authorized, subject to existing law, to enter into cooperative research **[pilot]** programs with Israel to enhance Israel’s capabilities in—

- (1) border, maritime, and aviation security;
- (2) explosives detection; **[and]**
- (3) emergency services~~].~~; and
- (4) *cybersecurity*.

* * * * *

COMMITTEE CORRESPONDENCE

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, November 14, 2016.

Hon. MICHAEL MCCAUL,
Chairman, Committee on Homeland Security, Washington, DC.

DEAR CHAIRMAN MCCAUL: Thank you for consulting with the Foreign Affairs Committee regarding H.R. 5877, the United States-Israel Advanced Research Partnership Act of 2016. I agree that the Foreign Affairs Committee may be discharged from further consideration of that measure, so that it may proceed expeditiously to the House floor.

I am writing to confirm our mutual understanding that foregoing further action on this measure does not in any way diminish or alter the jurisdiction of the Committee on Foreign Affairs, or prejudice its jurisdictional prerogatives on this bill or similar legislation in the future. I also request your support for the appointment of Foreign Affairs conferees to any House-Senate conference on this legislation.

I ask that a copy of our exchange of letters on this matter be included in your committee report, and also in the *Congressional Record* during floor consideration of the bill.

Sincerely,

EDWARD R. ROYCE,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC, November 15, 2016.

Hon. ED ROYCE,
Chairman, Committee on Foreign Affairs, Washington, DC.

DEAR CHAIRMAN ROYCE: Thank you for your letter regarding H.R. 5877, the "United States-Israel Advanced Research Partnership Act of 2016." I appreciate your support in bringing this legislation before the House of Representatives, and accordingly, understand that the Committee on Foreign Affairs will forego further action on the bill.

The Committee on Homeland Security concurs with the mutual understanding that by foregoing further action on this bill at this time, the Committee on Foreign Affairs does not waive any jurisdiction over the subject matter contained in this bill or similar legislation in the future. In addition, should a conference on this bill be necessary, I would support your request to have the Committee on Foreign Affairs represented on the conference committee.

I will insert copies of this exchange in the report on the bill and in the *Congressional Record* during consideration of this bill on the House floor. I thank you for your cooperation in this matter.

Sincerely,

MICHAEL T. MCCAUL,
Chairman, Committee on Homeland Security.