

109TH CONGRESS  
2D SESSION

# H. R. 2730

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IN THE SENATE OF THE UNITED STATES

JULY 27 (legislative day, JULY 26), 2006

Received; read twice and referred to the Committee on Energy and Natural  
Resources

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## AN ACT

To authorize funding for 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,*

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. FINDINGS.**

5       Congress finds that—

6           (1) it is in the highest national security inter-  
7       ests of the United States to ensure secure access to  
8       reliable energy sources;

9           (2) the United States relies heavily on the for-  
10      eign supply of crude oil to meet the energy needs of  
11      the United States, currently importing 58 percent of  
12      the total oil requirements of the United States, of  
13      which 45 percent comes from member states of the  
14      Organization of Petroleum Exporting Countries  
15      (OPEC);

16          (3) revenues from the sale of oil by some of  
17      these countries directly or indirectly provide funding  
18      for terrorism and propaganda hostile to the values  
19      of the United States and the West;

20          (4) in the past, these countries have manipu-  
21      lated the dependence of the United States on the oil  
22      supplies of these countries to exert undue influence  
23      on United States policy, as during the embargo of  
24      OPEC during 1973 on the sale of oil to the United  
25      States, which became a major factor in the ensuing  
26      recession;

1           (5) research by the Energy Information Admin-  
2           istration of the Department of Energy has shown  
3           that the dependence of the United States on foreign  
4           oil will increase by 33 percent over the next 20  
5           years;

6           (6) a rise in the price of imported oil sufficient  
7           to increase gasoline prices by 10 cents per gallon at  
8           the pump would result in an additional outflow of  
9           \$18,000,000,000 from the United States to oil-ex-  
10          porting nations;

11          (7) for economic and national security reasons,  
12          the United States should reduce, as soon as prac-  
13          ticable, the dependence of the United States on na-  
14          tions that do not share the interests and values of  
15          the United States;

16          (8) the State of Israel has been a steadfast ally  
17          and a close friend of the United States since the cre-  
18          ation of Israel in 1948;

19          (9) like the United States, Israel is a democracy  
20          that holds civil rights and liberties in the highest re-  
21          gard and is a proponent of the democratic values of  
22          peace, freedom, and justice;

23          (10) cooperation between the United States and  
24          Israel on such projects as the development of the

1 Arrow Missile has resulted in mutual benefits to  
2 United States and Israeli security;

3 (11) the special relationship between Israel and  
4 the United States has been and continues to be  
5 manifested in a variety of jointly-funded cooperative  
6 programs in the field of scientific research and de-  
7 velopment, such as—

8 (A) the United States-Israel Binational  
9 Science Foundation (BSF);

10 (B) the Israel-United States Binational  
11 Agricultural Research and Development Fund  
12 (BARD); and

13 (C) the Israel-United States Binational In-  
14 dustrial Research and Development (BIRD)  
15 Foundation;

16 (12) these programs, supported by the match-  
17 ing contributions from the Government of Israel and  
18 the Government of the United States and directed  
19 by key scientists and academics from both countries,  
20 have made possible many scientific breakthroughs in  
21 the fields of life sciences, medicine, bioengineering,  
22 agriculture, biotechnology, communications, and oth-  
23 ers;

24 (13) on February 1, 1996, United States Sec-  
25 retary of Energy Hazel R. O’Leary and Israeli Min-

1        ister of Energy and Infrastructure Gonen Segev  
2        signed the Agreement Between the Department of  
3        Energy of the United States of America and the  
4        Ministry of Energy and Infrastructure of Israel Con-  
5        cerning Energy Cooperation, to establish a frame-  
6        work for collaboration between the United States  
7        and Israel in energy research and development ac-  
8        tivities;

9            (14) Israeli scientists and researchers have long  
10        been at the forefront of research and development in  
11        the field of alternative renewable energy sources;

12            (15) many of the top corporations of the world  
13        have recognized the technological and scientific ex-  
14        pertise of Israel by locating important research and  
15        development facilities in Israel;

16            (16) among the technological breakthroughs  
17        made by Israeli scientists and researchers in the  
18        field of alternative, renewable energy sources are—

19            (A) the development of a cathode that uses  
20        hexavalent iron salts that accept 3 electrons per  
21        ion and enable rechargeable batteries to provide  
22        3 times as much electricity as existing recharge-  
23        able batteries;

24            (B) the development of a technique that  
25        vastly increases the efficiency of using solar en-

1           ergy to generate hydrogen for use in energy  
2           cells; and

3           (C) the development of a novel membrane  
4           used in new and powerful direct-oxidant fuel  
5           cells that is capable of competing favorably with  
6           hydrogen fuel cells and traditional internal com-  
7           bustion engines; and

8           (17) cooperation between the United States and  
9           Israel in the field of research and development of al-  
10          ternative renewable energy sources would be in the  
11          interests of both countries, and both countries stand  
12          to gain much from such cooperation.

13 **SEC. 3. GRANT PROGRAM.**

14          (a) **AUTHORITY.**—Pursuant to the responsibilities de-  
15          scribed in section 102(10), (14), and (17) of the Depart-  
16          ment of Energy Organization Act (42 U.S.C. 7112(10),  
17          (14), and (17)) and section 103(9) of the Energy Reorga-  
18          nization Act of 1974 (42 U.S.C. 5813(9)), the Secretary,  
19          in consultation with the BIRD or BSF, shall award grants  
20          to eligible entities.

21          (b) **APPLICATION.**—

22                  (1) **SUBMISSION OF APPLICATIONS.**—To receive  
23          a grant under this section, an eligible entity shall  
24          submit an application to the Secretary containing

1       such information and assurances as the Secretary, in  
2       consultation with the BIRD or BSF, may require.

3               (2) SELECTION OF ELIGIBLE ENTITIES.—The  
4       Secretary, in consultation with the Directors of the  
5       BIRD and BSF, may review any application sub-  
6       mitted by any eligible entity and select any eligible  
7       entity meeting criteria established by the Secretary,  
8       in consultation with the Advisory Board, for a grant  
9       under this section.

10       (c) AMOUNT OF GRANT.—The amount of each grant  
11      awarded for a fiscal year under this section shall be deter-  
12      mined by the Secretary, in consultation with the BIRD  
13      or BSF.

14       (d) RECOUPMENT.—

15               (1) IN GENERAL.—Not later than 180 days  
16      after the date of enactment of this Act, the Sec-  
17      retary shall establish procedures and criteria for  
18      recoupment in connection with any eligible project  
19      carried out by an eligible entity that receives a grant  
20      under this section, which has led to the development  
21      of a product or process which is marketed or used.

22               (2) AMOUNT REQUIRED.—

23                       (A) Except as provided in subparagraph  
24                       (B), such recoupment shall be required as a  
25                       condition for award and be proportional to the

1 Federal share of the costs of such project, and  
2 shall be derived from the proceeds of royalties  
3 or licensing fees received in connection with  
4 such product or process.

5 (B) In the case where a product or process  
6 is used by the recipient of a grant under this  
7 section for the production and sale of its own  
8 products or processes, the recoupment shall  
9 consist of a payment equivalent to the payment  
10 which would be made under subparagraph (A).

11 (3) WAIVER.—The Secretary may at any time  
12 waive or defer all or some of the recoupment re-  
13 quirements of this subsection as necessary, depend-  
14 ing on—

15 (A) the commercial competitiveness of the  
16 entity or entities developing or using the prod-  
17 uct or process;

18 (B) the profitability of the project; and

19 (C) the commercial viability of the product  
20 or process utilized.

21 (e) PRIVATE FUNDS.—The Secretary may accept  
22 contributions of funds from private sources to carry out  
23 this Act.

24 (f) OFFICE OF ENERGY EFFICIENCY AND RENEW-  
25 ABLE ENERGY.—The Secretary shall carry out this sec-



tion through the existing programs at the Office of Energy Efficiency and Renewable Energy.

(g) REPORT.—Not later than 180 days after receiving a grant under this section, each recipient shall submit a report to the Secretary—

(1) documenting how the recipient used the grant funds; and

(2) evaluating the level of success of each project funded by the grant.

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

(a) ESTABLISHMENT.—There is established in the Department of Energy an International Energy Advisory Board.

(b) DUTIES.—The Advisory Board shall advise the Secretary on—

(1) criteria for the recipients of grants awarded under section 3(a);

(2) the total amount of grant money to be awarded to all grantees selected by the Secretary, in consultation with the BIRD; and

(3) the total amount of grant money to be awarded to all grantees selected by the Secretary, in consultation with the BSF, for each fiscal year.

(c) MEMBERSHIP.—

1           (1) COMPOSITION.—The Advisory Board shall  
2       be composed of—

3           (A) 1 member appointed by the Secretary  
4       of Commerce;

5           (B) 1 member appointed by the Secretary  
6       of Energy; and

7           (C) 2 members who shall be Israeli citi-  
8       zens, appointed by the Secretary of Energy  
9       after consultation with appropriate officials in  
10      the Israeli Government.

11          (2) DEADLINE FOR APPOINTMENTS.—The ini-  
12      tial appointments under paragraph (1) shall be  
13      made not later than 60 days after the date of enact-  
14      ment of this Act.

15          (3) TERM.—Each member of the Advisory  
16      Board shall be appointed for a term of 4 years.

17          (4) VACANCIES.—A vacancy on the Advisory  
18      Board shall be filled in the manner in which the  
19      original appointment was made.

20          (5) BASIC PAY.—

21              (A) COMPENSATION.—A member of the  
22      Advisory Board shall serve without pay.

23              (B) TRAVEL EXPENSES.—Each member of  
24      the Advisory Board shall receive travel ex-  
25      penses, including per diem in lieu of subsist-

1           ence, in accordance with applicable provisions of  
2           subchapter I of chapter 57 of title 5, United  
3           States Code.

4           (6) QUORUM.—Three members of the Advisory  
5           Board shall constitute a quorum.

6           (7) CHAIRPERSON.—The Chairperson of the  
7           Advisory Board shall be designated by the Secretary  
8           of Energy at the time of the appointment.

9           (8) MEETINGS.—The Advisory Board shall  
10          meet at least once annually at the call of the Chair-  
11          person.

12          (d) TERMINATION.—Section 14(a)(2)(B) of the Fed-  
13          eral Advisory Committee Act (5 U.S.C. App.) shall not  
14          apply to the Advisory Board.

15   **SEC. 5. DEFINITIONS.**

16          In this Act:

17           (1) ADVISORY BOARD.—The term “Advisory  
18           Board” means the International Energy Advisory  
19           Board established by section 4(a).

20           (2) BIRD.—The term “BIRD” means the  
21           Israel-United States Binational Industrial Research  
22           and Development Foundation.

23           (3) BSF.—The term “BSF” means the United  
24           States-Israel Binational Science Foundation.

1           (4) ELIGIBLE ENTITY.—The term “eligible enti-  
2       ty” means a joint venture comprised of both Israeli  
3       and United States private business entities or a joint  
4       venture comprised of both Israeli academic persons  
5       (who reside and work in Israel) and United States  
6       academic persons, that—

7                       (A) carries out an eligible project; and

8                       (B) is selected by the Secretary, in con-  
9       sultation with the BIRD or BSF, using the cri-  
10      teria established by the Secretary, in consulta-  
11      tion with the Advisory Board.

12          (5) ELIGIBLE PROJECT.—The term “eligible  
13      project” means a project to encourage cooperation  
14      between the United States and Israel on research,  
15      development, or commercialization of alternative en-  
16      ergy, improved energy efficiency, or renewable en-  
17      ergy sources.

18          (6) SECRETARY.—The term “Secretary” means  
19      the Secretary of Energy, acting through the Assist-  
20      ant Secretary of Energy for Energy Efficiency and  
21      Renewable Energy.

22   **SEC. 6. TERMINATION.**

23       The grant program authorized under section 3 and  
24      the Advisory Board shall terminate upon the expiration

1 of the 7-year period which begins on the date of the enact-  
2 ment of this Act.

3 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

4 The Secretary is authorized to expend not more than  
5 \$20,000,000 to carry out this Act for each of fiscal years  
6 2006 through 2012 from funds previously authorized to  
7 the Office of Energy Efficiency and Renewable Energy.

8 **SEC. 8. CONSTITUTIONAL AUTHORITY.**

9 The Constitutional authority on which this Act rests  
10 is the power of Congress to regulate commerce with for-  
11 eign nations as enumerated in Article I, Section 8 of the  
12 United States Constitution.

Passed the House of Representatives July 26, 2006.

Attest:

KAREN L. HAAS,

*Clerk.*