

113TH CONGRESS
2D SESSION

H. R. 938

IN THE SENATE OF THE UNITED STATES

MARCH 6, 2014

Received; read twice and referred to the Committee on Foreign Relations

AN ACT

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,*

1 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

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

4 (b) TABLE OF CONTENTS.—The table of contents for
5 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.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

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

13 (2) The October 31, 1998, Memorandum of
14 Agreement signed by President Clinton and Prime
15 Minister Netanyahu commits the United States to

1 working jointly with Israel towards enhancing
2 Israel’s defensive and deterrent capabilities and up-
3 grading the framework of the United States-Israel
4 strategic and military relationships, as well as the
5 technological cooperation between both countries.

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

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

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

1 sisted by Iran and Hezbollah] could also lead to se-
 2 vere consequences for the entire region”.

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

4 Congress declares that Israel is a major strategic
 5 partner of the United States.

6 **TITLE I—UNITED STATES-**
 7 **ISRAEL STRATEGIC ALLIANCE**

8 **SEC. 101. AMENDMENTS TO THE UNITED STATES-ISRAEL**

9 **ENHANCED SECURITY COOPERATION ACT OF**

10 **2012.**

11 (a) UNITED STATES ACTIONS TO ASSIST IN THE DE-
 12 FENSE OF ISRAEL AND PROTECT UNITED STATES INTER-
 13 ESTS.—Section 4 of the United States-Israel Enhanced
 14 Security Cooperation Act of 2012 (Public Law 112–150;
 15 22 U.S.C. 8603) is amended—

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

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

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

1 (b) EXTENSION OF WAR RESERVES STOCKPILE AU-
2 THORITY.—Section 5(a) of the United States-Israel En-
3 hanced Security Cooperation Act of 2012 (Public Law
4 112–150) is amended to read as follows:

5 “(a) EXTENSION OF WAR RESERVES STOCKPILE AU-
6 THORITY.—

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

13 “(2) FOREIGN ASSISTANCE ACT OF 1961.—Sec-
14 tion 514(b)(2)(A) of the Foreign Assistance Act of
15 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by
16 striking ‘and 2014’ and inserting ‘, 2014, and
17 2015’.”.

18 (c) AMENDMENTS TO REQUIREMENTS RELATING TO
19 ASSESSMENT OF ISRAEL’S QUALITATIVE MILITARY EDGE
20 OVER MILITARY THREATS.—

21 (1) ASSESSMENT REQUIRED; REPORTS.—Sec-
22 tion 201 of Public Law 110–429 (122 Stat. 4843;
23 22 U.S.C. 2776 note) is amended—

1 (A) in subsection (a), by striking “an on-
2 going basis” and inserting “a biennial basis”;
3 and

4 (B) in subsection (c)(2)—

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

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

16 (2) REPORT.—

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

21 (i) the range of cyber and asymmetric
22 threats posed to Israel by state and non-
23 state actors; and

1 (ii) the joint efforts of the United
2 States and Israel to address the threats
3 identified in clause (i).

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

7 (C) APPROPRIATE CONGRESSIONAL COM-
8 MITTEES DEFINED.—In this paragraph, the
9 term “appropriate congressional committees”
10 means the Committee on Foreign Affairs of the
11 House of Representatives and the Committee
12 on Foreign Relations of the Senate.

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

14 (a) FINDING.—Congress finds that Israel has adopt-
15 ed high standards in the field of export controls, including
16 by becoming adherent to the Australia Group, the Missile
17 Technology Control Regime, the Nuclear Suppliers Group,
18 and the Wassenaar Arrangement control lists, and by en-
19 acting robust legislation and regulations for the control
20 of dual-use and defense items.

21 (b) EXPEDITED LICENSING PROCEDURES.—

22 (1) IN GENERAL.—The President shall direct
23 the Secretary of State to undertake discussions with
24 Israel to identify the steps required to be taken to
25 include Israel within the list of countries described

1 in section 740.20(c)(1) of title 15, Code of Federal
2 Regulations (relating to eligibility for Strategic
3 Trade Authorization).

4 (2) REPORT.—

5 (A) IN GENERAL.—Not later than 180
6 days after the date of the enactment of this
7 Act, and every 180 days thereafter for a period
8 of 3 years or until such time that Israel is in-
9 cluded on the list of countries determined as eli-
10 gible for the Strategic Trade Authorization,
11 whichever occurs first, the President shall sub-
12 mit to the Committee on Foreign Affairs of the
13 House of Representatives and the Committee
14 on Foreign Relations and the Committee on
15 Banking, Housing, and Urban Affairs of the
16 Senate a report on the following:

17 (i) The current status of negotiations.

18 (ii) The reasons that Israel has not
19 yet been determined as eligible for the
20 Strategic Trade Authorization.

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

24 (c) LICENSING TREATMENT AS MTCR ADHERENT.—

25 The President shall direct the Secretary of Commerce to

1 ensure that, subject to the requirements of section 6(l) of
2 the Export Administration Act of 1979 (50 U.S.C. App.
3 2405(l)) (as continued in effect pursuant to the Inter-
4 national Emergency Economic Powers Act), Israel is
5 treated no less favorably than other members or adherents
6 to the Missile Technology Control Regime designated in
7 Country Group A:2 in Supplement No. 1 to part 740 of
8 title 15, Code of Federal Regulations.

9 (d) OVERSEAS PRIVATE INVESTMENT CORPORA-
10 TION.—In carrying out its authorities under title IV of
11 chapter 2 of part I of the Foreign Assistance Act of 1961
12 (22 U.S.C. 2191 et seq.), the Overseas Private Investment
13 Corporation should consider giving preference to providing
14 insurance, financing, or reinsurance for energy and water
15 projects in Israel.

16 (e) ENERGY, WATER, AGRICULTURE, AND ALTER-
17 NATIVE FUEL TECHNOLOGIES.—

18 (1) IN GENERAL.—The President is authorized
19 to carry out cooperative activities with Israel and to
20 provide assistance to Israel that promotes coopera-
21 tion in the fields of energy, water, agriculture, alter-
22 native fuel technologies, and civil space, where ap-
23 propriate and pursuant to existing law.

24 (2) REQUIREMENTS.—In carrying out para-
25 graph (1), the President is authorized to share and

1 exchange with Israel research, technology, intel-
2 ligence, information, equipment, and personnel that
3 the President determines will advance the national
4 security interests of the United States and is con-
5 sistent with the Strategic Dialogue and pertinent
6 provisions of law—

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

9 (B) by the sale, lease, exchange in kind, or
10 other techniques the President determines to be
11 suitable.

12 (f) COOPERATIVE RESEARCH PILOT PROGRAMS.—

13 (1) IN GENERAL.—The Secretary of Homeland
14 Security, acting through the Director of the Home-
15 land Security Advanced Research Projects Agency
16 and with the concurrence of the Secretary of State,
17 is authorized to enter into cooperative research pilot
18 programs with Israel to enhance Israel’s capabilities
19 in the following areas:

20 (A) Border, maritime, and aviation secu-
21 rity.

22 (B) Explosives detection.

23 (C) Emergency services.

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

4 (A) \$1,000,000 to carry out paragraph
5 (1)(A);

6 (B) \$1,000,000 to carry out paragraph
7 (1)(B); and

8 (C) \$1,000,000 to carry out paragraph
9 (1)(C).

10 **SEC. 103. UNITED STATES-ISRAEL COOPERATION ON**
11 **CYBER-SECURITY.**

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

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

17 (a) FINDINGS.—Congress—

18 (1) commends the first phase completion of the
19 David's Sling Weapon System (DSWS) by the Israel
20 Missile Defense Organization and the U.S. Missile
21 Defense Agency, which is designed to provide addi-
22 tional opportunities for interception by the joint
23 United States-Israel Arrow Weapon System (Arrow
24 2 and Arrow 3);

1 (2) congratulates the Israel Missile Defense Or-
2 ganization and the U.S. Missile Defense Agency on
3 successfully executing the Arrow 3 flyout of a more
4 advanced interceptor, which will improve Israel’s de-
5 fenses against upper tier ballistic missile threats
6 from nations including Iran;

7 (3) recognizes that during Operation Pillar of
8 Defense in November 2012, Israel deployed Iron
9 Dome short-range rocket defense batteries to inter-
10 cept Hamas-launched rockets fired from Gaza—of
11 those rockets that posed a threat to the life of
12 Israeli citizens, 80 to 85 percent were successfully
13 intercepted, saving countless lives; and

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

19 (b) STATEMENT OF POLICY.—It should be the policy
20 of the United States that the President, acting through
21 the Secretary of Defense and the Secretary of State,
22 should provide assistance, upon request by the Govern-
23 ment of Israel, for the enhancement of the David’s Sling
24 Weapon System, the enhancement of the joint United
25 States-Israel Arrow Weapon System (Arrow 2 and Arrow

1 3), and the procurement and enhancement of the Iron
2 Dome short-range rocket defense system for purposes of
3 intercepting short-range rockets, missiles, and other pro-
4 jectiles launched against Israel.

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

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

8 (1) the United States and Israel should con-
9 tinue collaborative efforts to enhance Israel's mili-
10 tary capabilities, including through the transfer of
11 advanced combat aircraft, active phased array radar,
12 military tanker-transports, other multi-mission mili-
13 tary aircraft, advanced or specialized munitions, and
14 through joint training and exercise opportunities in
15 the United States;

16 (2) the United States and Israel should expedi-
17 tiously conclude an updated Memorandum of Under-
18 standing regarding United States security assistance
19 in order to help Israel meet its unique security re-
20 quirements and uphold its qualitative military edge;

21 (3) the United States should ensure that Israel
22 has timely access to important military equipment,
23 including by augmenting the forward deployed
24 United States War Reserve Stockpile in Israel and
25 by continuing to provide Israel with critical military

1 equipment and spare parts through the Department
2 of Defense's Excess Defense Articles program; and

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

5 (b) REPORT.—

6 (1) IN GENERAL.—Not later than 120 days
7 after the date of the enactment of this Act, the
8 Comptroller General of the United States shall sub-
9 mit to the appropriate congressional committees a
10 report that—

11 (A) reviews the progress made toward the
12 actions and efforts identified in the report re-
13 quired under section 6(b) of the United States-
14 Israel Enhanced Security Cooperation Act of
15 2012 (Public Law 112–150; 22 U.S.C.
16 8604(b)); and

17 (B) provides policy recommendations, if
18 necessary.

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

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

1 (A) the Committee on Foreign Affairs and
2 the Committee on Armed Services of the House
3 of Representatives; and

4 (B) the Committee on Foreign Relations
5 and the Committee on Armed Services of the
6 Senate.

7 **SEC. 106. STATEMENT OF POLICY.**

8 It shall be the policy of the United States to include
9 Israel in the list of countries that participate in the visa
10 waiver program under section 217 of the Immigration and
11 Nationality Act (8 U.S.C. 1187) when Israel satisfies, and
12 as long as Israel continues to satisfy, the requirements for
13 inclusion in such program specified in such section.

14 **SEC. 107. SENSE OF CONGRESS.**

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

19 **TITLE II—UNITED STATES-**
20 **ISRAEL ENERGY COOPERATION**

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

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

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

3 (2) in paragraph (4)—

4 (A) by striking “possible many” and in-
5 serting “possible—

6 “(A) many”;

7 (B) by inserting “and” after the semicolon
8 at the end; and

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

10 “(B) significant contributions to the devel-
11 opment of renewable energy and energy effi-
12 ciency through the established programs of the
13 United States-Israel Binational Industrial Re-
14 search and Development Foundation and the
15 United States-Israel Binational Science Foun-
16 dation;”;

17 (3) in paragraph (6)—

18 (A) by striking “renewable” and inserting
19 “covered”; and

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

22 (4) in paragraph (7)—

23 (A) by striking “renewable” and inserting
24 “covered”; and

1 (B) by striking the period at the end and
2 inserting a semicolon; and

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

4 “(8) United States-Israel energy cooperation,
5 and the development of natural resources by Israel,
6 are strategic interests of the United States;

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

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

12 “(11) the National Science Foundation of the
13 United States should collaborate with the Israel
14 Science Foundation;

15 “(12) the United States and Israel should strive
16 to develop more robust academic cooperation in en-
17 ergy innovation technology and engineering, water
18 science, technology transfer, and analysis of geo-
19 political implications of new natural resource devel-
20 opment and associated areas;

21 “(13) the United States supports the goals of
22 the Alternative Fuels Administration of Israel;

23 “(14) the United States strongly urges open
24 dialogue and continued mechanisms for regular en-
25 gagement and encourages further cooperation be-

1 tween applicable departments, agencies, ministries,
2 institutions of higher education, and the private sec-
3 tors of the United States and Israel on energy secu-
4 rity issues, including—

5 “(A) identifying policy priorities associated
6 with the development of natural resources of
7 Israel;

8 “(B) discussing best practices to secure
9 cyber energy infrastructure;

10 “(C) best practice sharing;

11 “(D) leveraging natural gas to positively
12 impact regional stability;

13 “(E) improving energy efficiency and the
14 overall performance of water technologies
15 through research and development in water de-
16 salination, wastewater treatment and reclama-
17 tion, and other water treatment technologies;

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

20 “(G) coastal protection and restoration;

21 “(H) academic outreach and engagement;

22 “(I) private sector and business develop-
23 ment engagement;

24 “(J) regulatory consultations;

1 “(K) leveraging alternative transportation
2 fuels and technologies; and

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

5 “(15) the United States acknowledges the
6 achievements and importance of the United States-
7 Israel Binational Industrial Research and Develop-
8 ment Foundation and the United States-Israel Bina-
9 tional Science Foundation and supports continued
10 multiyear funding to ensure the continuity of the
11 programs of the Foundations; and

12 “(16) the United States and Israel have a
13 shared interest in addressing their immediate, near-
14 term, and long-term energy and environmental chal-
15 lenges.”.

16 (b) ESTABLISHMENT.—Section 917(b)(1) of the En-
17 ergy Independence and Security Act of 2007 (42 U.S.C.
18 17337(b)(1)) is amended by striking “renewable energy
19 or energy efficiency” and inserting “covered energy”.

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

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

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

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

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

6 “(H) natural gas energy, including conven-
7 tional and unconventional natural gas tech-
8 nologies and natural gas projects conducted by
9 or in conjunction with the United States-Israel
10 Binational Science Foundation, the United
11 States-Israel Binational Industrial Research
12 and Development Foundation, and the United
13 States-Israel Science and Technology Founda-
14 tion; and

15 “(I) improvement of energy efficiency and
16 the overall performance of water technologies
17 through research and development in water de-
18 salination, wastewater treatment and reclama-
19 tion, and other water treatment technologies.”.

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

24 (e) AUTHORIZATION OF APPROPRIATIONS; INTER-
25 NATIONAL PARTNERSHIPS.—Section 917 of the Energy

1 Independence and Security Act of 2007 (42 U.S.C.
2 17337) is amended—

3 (1) by redesignating subsections (c) and (d) as
4 subsections (e) and (f), respectively;

5 (2) by inserting after subsection (b) the fol-
6 lowing:

7 “(c) INTERNATIONAL PARTNERSHIPS.—

8 “(1) IN GENERAL.—The Secretary may, subject
9 to the availability of appropriations, enter into coop-
10 erative agreements supporting and enhancing dia-
11 logue and planning involving international partner-
12 ships between the Department, including National
13 Laboratories of the Department, and the Govern-
14 ment of Israel and its ministries, offices, and institu-
15 tions.

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

19 “(3) ANNUAL REPORTS.—The Secretary shall
20 submit to the Committee on Energy and Commerce,
21 the Committee on Science, Space, and Technology,
22 the Committee on Foreign Affairs, and the Com-
23 mittee on Appropriations of the House of Represent-
24 atives and the Committee on Energy and Natural
25 Resources, the Committee on Foreign Relations, and

1 the Committee on Appropriations of the Senate an
2 annual report that describes—

3 “(A) actions taken to carry out this sub-
4 section; and

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

7 “(d) UNITED STATES-ISRAEL CENTER.—The Sec-
8 retary may establish a joint United States-Israel Center
9 based in an area of the United States with the experience,
10 knowledge, and expertise in offshore energy development
11 to further dialogue and collaboration to develop more ro-
12 bust academic cooperation in energy innovation technology
13 and engineering, water science, technology transfer, and
14 analysis of geopolitical implications of new natural re-
15 source development and associated areas.”; and

16 (3) by amending subsection (f) (as redesign-
17 nated) to read as follows:

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

23 (f) TERMINATION.—Subsection (e) of section 917 of
24 the Energy Independence and Security Act of 2007 (42
25 U.S.C. 17337) (as redesignated by subsection (e)(1)) is

1 amended by striking “the date that is 7 years after the
2 date of enactment of this Act” and inserting “September
3 30, 2021”.

4 **TITLE III—OFFSET**

5 **SEC. 301. OFFSET.**

6 Section 102(a) of the Enhanced Partnership with
7 Pakistan Act of 2009 (Public Law 111–73) is amended
8 by striking “\$1,500,000,000” and inserting
9 “\$1,487,000,000”.

Passed the House of Representatives March 5,
2014.

Attest:

KAREN L. HAAS,
Clerk.