

Accordingly (at 2 o'clock and 9 minutes p.m.), the House stood in recess.

□ 1606

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WIED) at 4 o'clock and 6 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

INTERNATIONAL TRAFFIC IN ARMS REGULATIONS LICENSING REFORM ACT

Mr. BAUMGARTNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4215) to require the Secretary of State to promulgate expedited and fixed timelines for the decision-making process to license the export of certain defense articles and defense services, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4215

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Traffic in Arms Regulations Licensing Reform Act".

SEC. 2. LIST OF COUNTRIES AND END-USERS TO RECEIVE PRIORITY FOR DIRECT COMMERCIAL SALES.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall develop and maintain a list of countries and end-users with respect to which expedited decision-making for applications for licenses for the export of defense articles and defense services is vital to the national security of the United States, consistent with the requirements of the Arms Export Control Act and other applicable provisions of law.

(b) SUBMISSION TO CONGRESS.—Not later than 30 days after the development of the list required by subsection (a), and annually thereafter, the Secretary of State shall submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate an updated copy of the list.

SEC. 3. DECISION-MAKING PROCESS FOR APPLICATIONS FOR DIRECT COMMERCIAL SALES.

Not later than 30 days after the date on which the Secretary of State publishes the list required by section 2, the Secretary, in coordination with the Secretary of Defense, shall initiate a rulemaking process to establish an expedited timeline for the decision-making process with respect to applications to export defense articles or defense services under the Arms Export Control Act to countries or end-users identified by such list and

a fixed timeline for decisions for all other applications for such exports. The timelines so established shall provide that, to the maximum extent practicable—

(1) an application to export defense articles or defense services to a listed country or end-user shall be approved, returned, or denied not later than 45 days after the date on which the application is submitted to the Secretary;

(2) an application to export defense articles or defense services to any country or end-user shall be approved, returned, or denied not later than 60 days after the date on which the application is submitted to the Secretary; and

(3) the deadlines described in paragraphs (1) and (2) may be suspended with respect to an application if necessary—

(A) for applicable time periods specified in subsection (b), (c), or (d) of section 36 of such Act, during which Congress may enact a joint resolution prohibiting the approval of such application; or

(B) for such time as may be required to receive a decision from the Secretary of Defense with respect to an application that is subject to approval by the Department of Defense, including technology security and foreign disclosure release determinations.

SEC. 4. REPORTS.

(a) IN GENERAL.—The Secretary of State shall submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate on a semi-annual basis a report, which may be submitted in classified form, that identifies each application to export defense articles or defense services during the preceding 180-day period with respect to which the time to reach a decision exceeded the applicable deadline described in section 3(1) or 3(2).

(b) MATTER TO BE INCLUDED.—The report required by this section shall also include the following information with respect to each application so identified:

(1) The defense articles or defense services included in the application.

(2) The recipient country, end-user, and any corporate entities involved in the application.

(3) Whether the United States has previously exported similar defense articles or defense services to the recipient country or end-user.

(4) A justification for the delay in reaching a decision with respect to the application.

(5) The anticipated timeline for reaching a decision with respect to the application, if still pending as of the date of the submission of the report.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Washington (Mr. BAUMGARTNER) and the gentleman from New York (Mr. MEEKS) each will control 20 minutes.

The Chair recognizes the gentleman from Washington.

GENERAL LEAVE

Mr. BAUMGARTNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BAUMGARTNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I introduced the International Traffic in Arms Regulations

Licensing Reform Act to improve licensing timelines and processes for direct commercial defense sales.

America's foreign defense sales program is notorious for its slow timelines and opaque process. This lack of clarity about how foreign partners are prioritized causes frustration and confusion among our most important partners and allies. This inefficiency and murkiness force our partners to consider turning to other countries to source their capabilities.

The U.S. is currently the partner of choice for foreign arms sales, but that status is in jeopardy due to internal delays and unnecessary bureaucratic red tape.

The direct commercial sales process presents a more efficient, expedient pathway for our allies and partners to purchase U.S. technology. Direct commercial sales are the future of American defense sales. Direct commercial sales skyrocketed last year and are quickly outpacing other forms of defense sales.

If our direct commercial sales program is going to continue to grow, more must be done to streamline direct commercial sales and incentivize even faster timelines.

This legislation would codify President Trump's April 9 executive order to establish a list of priority partners for certain defense sales and would create a timebound process for approving direct commercial sales cases.

Mr. Speaker, I urge my colleagues to support our defense industrial base and support this commonsense bill.

Mr. Speaker, I reserve the balance of my time.

□ 1610

Mr. MEEKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4215. This bill would institute clearer timeframes for the licensing decisions made by the State Department for direct sales of defense items by private firms to foreign buyers.

While large systems, such as aircraft, ships, tanks, and missiles, are principally provided via the foreign military sales, or FMS, process, a number of important items, such as small arms, vehicles, radars, and other equipment, are transferred via direct commercial sales.

These items are often vital for our partners and allies to replenish their military stocks and defensive capabilities. While the vast majority of these sales are processed and licensed in an expeditious manner, foreign partners often seek greater speed and clarity regarding the process.

This bill simply institutes reasonable timeframes of up to 60 days for a licensing decision to be made. This does not preordain an outcome. The State Department can still either return such licenses for adjustment or modification due to additional revisions or controls determined necessary or reject the requested license outright.

Crucially, the bill also does not alter or undermine congressional oversight over direct commercial sales.

In short, while I have strong concerns about the arms sales and security assistance policies of the Trump administration, I support efforts to provide our allies and partners with improved timelines and processing for defense articles that they need for our shared national security goals.

Mr. Speaker, I encourage my colleagues to join me in supporting this measure, and I reserve the balance of my time.

Mr. BAUMGARTNER. Mr. Speaker, I have no more speakers, and I reserve the balance of my time.

Mr. MEEKS. Mr. Speaker, I yield myself such time as I may consume for the purposes of closing.

Mr. Speaker, the time period limitations on direct foreign commercial sales set forth in this bill will, in fact, provide greater clarity for our allies and a more rapid delivery of necessary items to our partners around the world. Moreover, the bill does so without undermining congressional oversight or predetermining any decisions.

Mr. Speaker, I support this legislation, and I yield back the balance of my time.

Mr. BAUMGARTNER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, we must do everything we can to improve our foreign defense sales process to ensure American competitiveness and equip our allies with the highest quality defense materials.

I am proud to sponsor this legislation to streamline the direct commercial sales process, and I urge my colleagues to join me in support of it. This legislation makes America safer and our economy wealthier.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BAUMGARTNER) that the House suspend the rules and pass the bill, H.R. 4215.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

MADE-IN-AMERICA DEFENSE ACT

Mr. BAUMGARTNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4216) to direct the Secretary of State, in coordination with the Secretary of Defense, to carry out a review of the list of defense articles and services required to be transferred under the foreign military sales program as opposed to direct commercial sale (FMS-Only List), as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Made-in-America Defense Act”.

SEC. 2. SENSE OF CONGRESS.

Congress—

(1) believes the expeditious delivery of defense articles and services to allies and partners strengthens American national security;

(2) notes that the Department of Defense contracting process often adds significant amounts of time to the delivery of defense articles and services to allies and partners, and in some cases these articles and services could be appropriately transferred more quickly using direct commercial sales; and

(3) supports the ongoing and periodic review of the FMS-Only List to ensure that defense articles and services that can be appropriately transferred using direct commercial sales are not included on the FMS-Only list.

SEC. 3. REVIEW AND REPORT.

(a) REVIEW.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Secretary of State, in coordination with the Secretary of Defense, shall carry out a review of defense articles and defense services that are eligible to be provided under the foreign military sales program under chapter 2 of the Arms Export Control Act, but not eligible to be provided under direct commercial sales under section 38 of such Act, in order to identify those articles and services that should also be eligible to be provided under direct commercial sales.

(2) MATTERS TO BE ADDRESSED.—The review required by this subsection shall address the following with respect to each defense article and defense services identified under this subsection:

(A) The average length of time to complete a transfer of the article or service under the foreign military sales program compared to such a transfer under a direct commercial sale, measured from the initial submission of the letter of request to the delivery of the article or service.

(B) The impact on the workload for the Department of State and Department of Defense by reason of a transfer of the article or service under a direct commercial sale.

(C) The benefits to United States national security and United States competitiveness by reason of a transfer of the article or service under a direct commercial sale.

(b) REPORT.—

(1) IN GENERAL.—Not later than 30 days after the completion of each review required by subsection (a), the Secretary of State, in coordination of the Secretary of Defense, shall submit to the appropriate congressional committees a report that contains the results of the review, including—

(A) the average time to transfer the reviewed defense articles or services during the previous reporting period through the foreign military sales program and through direct commercial sales and how those averages compare to the averages reported in the previous reporting period;

(B) the leading causes of delays;

(C) any steps taken to reduce those delays; and

(D) any defense articles and services added to or removed from the FMS-Only list during the preceding reporting period, as well as the justification for such decisions.

(2) FORM.—The report required by this subsection shall be submitted in unclassified form, but may contain a classified annex.

(3) DEFINITIONS.—In this subsection—

(A) the term “appropriate congressional committees” means—

(i) the Committee on Foreign Affairs and the Committee on Armed Services of the House of Representatives; and

(ii) the Committee on Foreign Relations and the Committee on Armed Services of the Senate; and

(B) the term “FMS-only list” means the list maintained by the Secretary of State of defense articles and defense services that are eligible to be provided under the foreign military sales program under chapter 2 of the Arms Export Control Act, but not eligible to be provided under direct commercial sales under section 38 of such Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Washington (Mr. BAUMGARTNER) and the gentleman from New York (Mr. MEEKS) each will control 20 minutes.

The Chair recognizes the gentleman from Washington.

GENERAL LEAVE

Mr. BAUMGARTNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BAUMGARTNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation to improve the foreign military sales process.

When our partners and allies choose to procure U.S.-origin defense articles or services, they have a choice to purchase items via either the foreign military sales process or the direct commercial sales process.

While foreign military sales are often the path of choice due to the robust, total-package approach, direct commercial sales are preferable in many cases, as it is faster and a more nimble process than foreign military sales.

However, the State Department maintains an out-of-date list of defense articles that may only be purchased via foreign military sales. This list is meant to only include the most sensitive technologies that would pose a risk to U.S. competitiveness or national security if these technologies fell into the wrong hands.

However, its outdated nature ends up creating the very problem that it seeks to avoid. U.S. competitiveness is limited, as our partners choose to turn to other sources for technologies that are too slow to procure from the U.S.

President Trump’s April 9 executive order mandated that the State Department review and update the foreign military sales-only list.

This legislation would codify that requirement and go one step further by requiring an annual review of the list. This legislation would also enhance congressional reporting requirements to ensure that Congress has oversight over any changes to the list.

This much-needed legislation is a key part of reforming our foreign defense sales process to ensure that the United States maintains its competitiveness and remains the global partner of choice for procurement of defense technology.