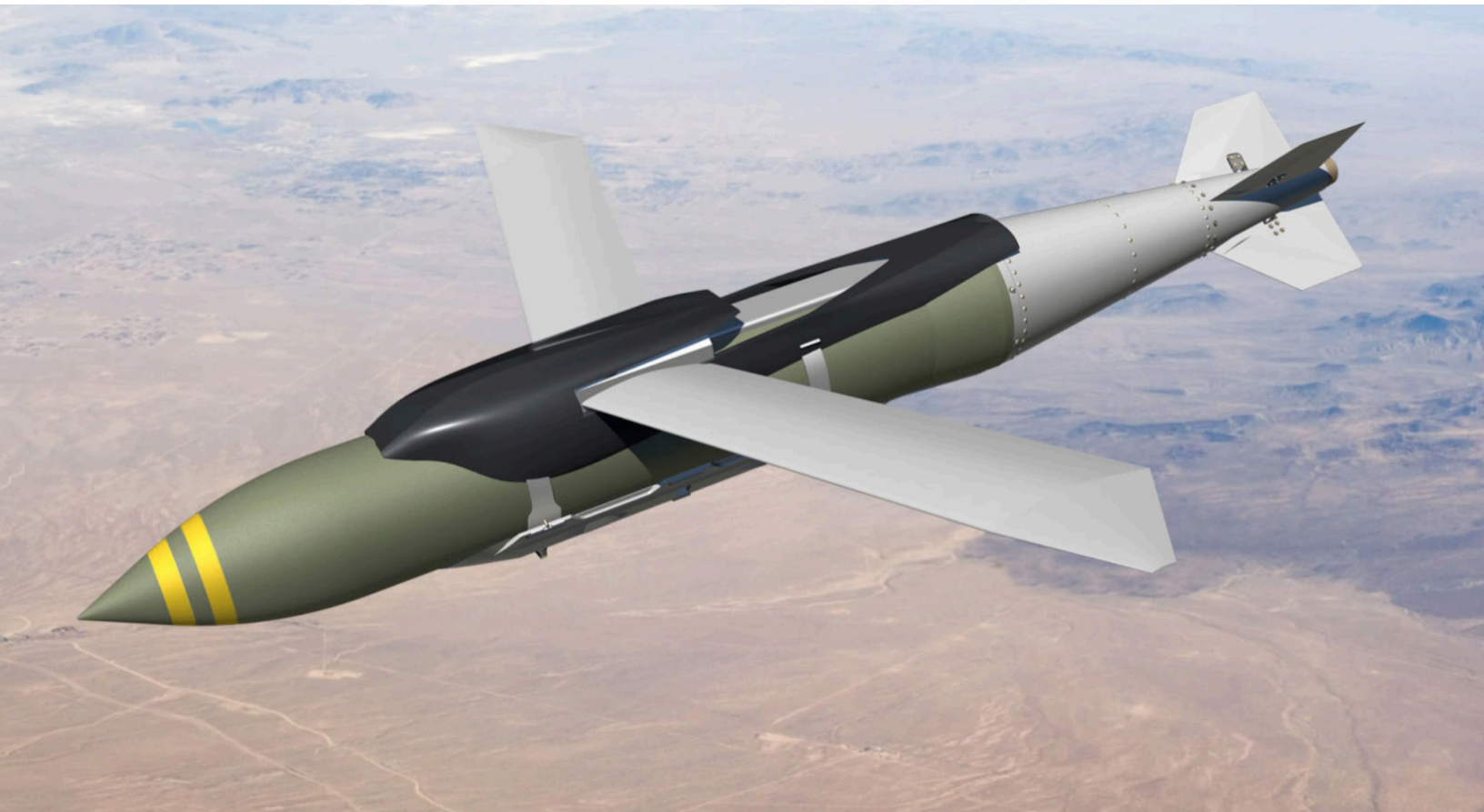


# **Anchoring the U.S.-Israel Alliance:** *Rebuilding America's Arms Stockpile in Israel*



*JINSA's Gemunder Center U.S.-Israel Security Policy Project*

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Chairman: ADM James Stavridis, USN (ret.)

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# Executive Summary

One of Israel's most pressing security challenges is a shortage of precision guided munitions which are critical to continuing to roll back the footprint of Iran and its proxies in the Middle East, and to prepare for a looming major war against those forces. The Trump Administration has expressed its shared concern over Iran's regional expansion, but has mostly left it to Israel, which is more directly threatened, to address the problem on the ground. As America intends to reduce its own footprint in the region, we can advance our national security interests and bolster shared deterrence by ensuring Israel has the tools to defend itself.

Recently JINSA's U.S.-Israel Security Policy Project issued a report on accelerating Israel's procurement of vital American weaponry under the current 10-year memorandum of understanding (MoU) on U.S. defense assistance.<sup>1</sup> This new follow-on paper seeks to tackle Israel's challenge from a different angle, by focusing on the shortfall of advanced U.S. prepositioned weapons stockpiles in Israel and laying out possible solutions for this relatively obscure but vital element in the bilateral partnership.

The War Reserve Stockpile Ammunition-Israel, or WRSA-I, is a forward-based arms depot of U.S.-made ammunition and supplies based in Israel, which is intended as a readily-accessible reserve – an insurance policy – for Israel to obtain vital munitions in an emergency such as wartime. This minimizes the need for a challenging resupply of weapons from the United States, such as occurred during the 1973 Yom Kippur War. Since it was first established in the 1980s, American officials have stated repeatedly how WRSA-I helps ensure the Jewish state's ability to defend itself at acceptable cost, known in U.S. law as Israel's "qualitative military edge" (QME).

Yet, the stockpile is falling dangerously short of meeting its stated purpose. Of particular concern is the stock of precision guided munitions (PGM) launched from aircraft to strike ground targets. A particular need in this regard is Joint Direct Attack Munition (JDAM) tailkits, which convert unguided air-to-ground bombs into PGMs. Such capabilities are crucial to Israel's QME as Iran and others proliferate cheap and plentiful rockets, missiles and drones to overwhelm Israel's sophisticated but few air defenses. Israel needs now abundant PGMs to keep neutralizing these growing threats, as well as to hit ground targets and compensate for limited missile defense capabilities in an expected major war with Iran and its proxies, all while minimizing collateral damage to civilians.

Since Israel lacks the industrial capacity to produce enough precision ordnance, it relies heavily on purchases from the United States, having procured tens of thousands of PGMs worth billions of dollars from Boeing and Raytheon over the last five years.<sup>2</sup> Occasionally Israel will also obtain munitions from WRSA-I, as it did in extended lower-level conflicts with Hezbollah and Hamas in 2006 and 2014, respectively.

However, the United States has faced challenges maintaining its own PGM stocks, let alone those for allies. This has been due to U.S. production capacity constraints, coupled with proportionately higher combat usage than Israel in recent years amid the fight against ISIS and previous failures to replenish stockpiles commensurate with this increased usage. To some extent, recently ramped up output from U.S. defense companies is helping meet heightened demand; yet to fully meet its needs the U.S. military also pulled PGMs out of prepositioned

stockpiles. At the same time, the United States moved many, though not all, of its prepositioned PGM stocks from the Middle East to theaters of renewed great power competition in Indo-Pacific and Europe.

Separately, and unlike several American treaty allies, Israel is not highly integrated into the U.S. military's global logistics supply chains, nor do U.S. forces generally operate out of Israel. Combined with Pentagon concerns about the security and sustainment of U.S. materiel at Israeli sites, these factors may help explain U.S. military reluctance to store PGMs and other weaponry in Israeli depots at a time of persistent shortages.

WRSA-I's shortfalls are exacerbated by the fact that Congress stipulates the total value of transfers to the stockpile in Israel, but not the contents of those transfers. While WRSA-I's current configuration may support U.S. defense needs, these same contents increasingly are ill-suited for the stockpile's stated intent of supporting Israel's self-defense in an emergency – even as the total dollar value of those contents has grown markedly.

These various factors combine to undermine a critical pillar of America's commitment to Israel's QME, which U.S. law requires the United States help uphold. The challenge could well grow, as Congress has begun considering defense budget cuts amid a larger reevaluation of government spending priorities in the wake of COVID-19.<sup>3</sup>

If not resolved, these developments could frustrate Israel's receptivity to pledges of U.S. support and imperil the Jewish state's ability to confront shared threats, precisely because WRSA-I is both a tangible symbol of the bilateral partnership and a strategic insurance policy for Israel. For these same reasons, an adequate stockpile also bolsters shared deterrence against Iran and other adversaries. Indeed, at a time when U.S. allies are being asked to do more, replenishing WRSA-I strengthens the two countries' commitment to burden-sharing by providing Israel the tools to help defend U.S. interests in the Middle East. Beyond WRSA-I, storage depots in Israel stand out as secure venues in a stable country in an unstable region of great strategic importance to the United States. They also offer good value for America, as Israel pays to maintain and upgrade relevant facilities and to transport armaments to and from the stockpile.

This paper underscores the dangerous implications for both countries of potentially critical WRSA-I shortfalls, while also laying out policy options to start addressing the problem.

To wit, the United States and Israel can take several, not mutually exclusive, steps to strengthen Israel's QME and fulfil America's stated intent by replenishing and updating the stockpile. In implementing relevant steps laid out below, American policymakers should consider Israeli weapons depots as viable alternative sites for prepositioning, should there be U.S. legal hurdles to replenishing PGMs in WRSA-I itself.

Recommendations:

- Replenish stocks of critical PGMs in WRSA-I, including JDAM kits for unguided munitions and GBU-39 and GBU-53/B small diameter bombs.



- Congressional request for a non-confidential report or audit, potentially from the Government Accountability Office or U.S. Army Office of the Inspector General, providing American policymakers with a clearer updated assessment whether:
  - Israel's QME is being eroded by PGM shortages, including potential shortages in WRSA-I stocks should Israel have to draw upon them in an emergency;
  - Potential shortages could be ameliorated by replacing obsolete items in WRSA-I and/or by frontloading outlays authorized to implement the 2016 bilateral MoU on U.S. defense assistance to Israel.
- Use of the Special Defense Acquisition Fund (SDAF) to expedite PGM deliveries, by enabling the Pentagon to purchase weapons in advance of their sale to Israel (without imposing additional overall costs on the United States).
- Re-purposing and expanding WRSA-I from a strictly bilateral stockpile into a regional prepositioning hub, to support Israel's projected wartime requirements as well as those of the U.S. military and potentially other regional allies.
- Loaning U.S. PGMs and other weapons to Israel, possibly as a stopgap measure, especially as the U.S. military is projected to reduce PGM procurement appreciably in the next few years, particularly JDAMs.
- At the same time, with the U.S. military's PGM demand expected to decline in coming years, allies like Israel can also work to replenish their own stockpiles by placing larger, longer-term contracts with U.S. firms. This may be the fastest path to addressing Israel's PGM gap, and American policymakers could help accelerate Israeli procurement by frontloading the 2016 MoU on U.S. defense assistance to Israel, without increasing the annual cost to the United States.

# Strategic Context

The United States expects to fight its wars “over there.” Certainly there are real security threats to the U.S. homeland like terrorism, nuclear warfare and cyberattacks. But America’s primary adversaries are thousands of miles away, and our immediate environs consist of friendly or weak neighbors and open oceans.

This provides great strategic depth, but it also poses real logistical considerations for moving American forces and their equipment to warzones from the continental United States or overseas bases. These delays could be detrimental to preventing or mitigating major war. World War II taught a hard lesson, as it took years to amass enough men and material on the peripheries of Europe and Asia to project power directly against Germany and Japan – all at great cost in American lives and treasure. The strategic surprise of the 1973 Yom Kippur War raised similar challenges, albeit on a smaller scale, when the United States conducted an emergency airlift to resupply Israel.

These and other examples posed multiple problems for American force planners. During the Cold War, the United States simply could not devote the resources for a sufficiently large wartime troop posture in every major theater of operations simultaneously – conceivably Europe, the Middle East and Indo-Pacific – and most forces remained stateside at any given time. But even when the U.S. military conducted overseas contingency operations, including resupplying Israel in 1973, logistics supply chains quickly stretched toward the limit. Airlift provided rapid response, but not the capacity for the necessary force buildup in theater; sealift provided the requisite capacity, but not the rapid response – once they leave the continental United States, some supply ships can take roughly 45 days to reach a conflict zone. Wherever supplies were drawn down, readiness fell in their stead. Moreover, peacetime inventories at home might be insufficient to meet the spike in demand from a major overseas war, and procuring additional inventory would take too much time and money to have proper impact on the battlefield.

Prepositioning historically has been a U.S. solution that selectively addressed these dilemmas, by stockpiling necessary materiel in close proximity to the expected warzone. In times of crisis or war, the United States could then flow forces into the theater, equip them once arrived – a matter of days as opposed to weeks or months – and sustain combat operations with ammunition and spare parts. Prepositioning also provides the host country with an emergency reserve in advance or in lieu of direct U.S. participation in the conflict. Beginning shortly after the 1961 Berlin Crisis, the Army instituted several stockpiles known as “Prepositioned Material Configured in Unit Sets,” or “POMCUS,” intending ultimately to rapidly equip six U.S. divisions in West Germany to repel a Warsaw Pact invasion.<sup>4</sup>

# Evolving Role of U.S. Prepositioned Weapons in Israel

In the decades following the initial POMCUS plan, the U.S. military set up similar depots elsewhere in Europe, Indo-Pacific and the Middle East, including in Israel. The purposes of the Israel stockpile has expanded over time, from supporting U.S. contingency operations to later include bolstering Israel's qualitative military edge (QME).

An April 1984 bilateral memorandum of understanding (MoU) inaugurated the initiative to preposition U.S. weapons and ammunition in Israel.<sup>5</sup> The initial purpose was limited to supporting American forces against Soviet-led aggression in the Persian Gulf theater. A contemporary *New York Times* column noted “most of the weapons involved are ‘single use’ armaments, meaning they do not fit with the parallel equipment used by Israel. They are for use by the American military only, in the event it has to fight a war in the Middle East.”<sup>6</sup>

Over time the stockpile's practical purpose evolved to include supporting Israel's ability to defend itself and maintain a favorable military advantage over potential adversaries. Speaking in 1983, before the depot was instituted, then Secretary of State George Shultz articulated what would become the intent of prepositioning:

“We want to try to work out arrangements that do everything we can to help Israel maintain its posture of having an effective military advantage in the region so that it isn't going to be knocked over by somebody's superior military power. That is ... the point of all of these things.”<sup>7</sup>

The proximate cause of the shift in purpose, however, was a September 1989 U.S. decision to sell more than 300 latest-generation main battle tanks to Saudi Arabia, which in a stroke threatened to upend the strategic balance between Jerusalem and Riyadh. In exchange for Israel not opposing the sale, the United States agreed to emplace \$100 million of military equipment in Israel that was usable by either country.<sup>8</sup>

This mirrored an existing U.S.-South Korea arrangement, called War Reserve Stock Allies-Korea (WRSA-K), permitting South Korean forces to draw from the U.S. stockpile there on a “pay as you use” basis with U.S. approval – and hence the Israel stockpile officially became WRSA-I. Under this agreement, Israel pays roughly 90 percent of the cost of maintaining and upgrading the stockpile facilities on its territory. The U.S. military's European Command (EUCOM) maintains the actual stockpile, and the United States retains title to the contents until transferred to Israel through direct sales or security assistance.<sup>9</sup>

In succeeding years American policymakers underscored the stockpile's added purpose of defending U.S. national security by supporting Israel's self-defense. Treasury Secretary Robert Rubin and other senior Clinton Administration officials testified before Congress in 1998 that prepositioning was part of

“an ironclad commitment to Israel's security and well-being and to sustaining and enhancing its *qualitative military edge*. We believe that strengthening Israel's capability

to defend itself is important to regional stability and security and serves the broadest range of U.S. national interests as well as Israel's."<sup>10</sup> (*italics added*)

In 2008 this commitment to Israel's QME was defined under U.S. law as Israel's "ability to counter and defeat credible military threats from any individual state or possible coalition of states or from non-state actors, while sustaining minimal damages and casualties," through the use of superior military means in sufficient quantities.<sup>11</sup> Under the Obama Administration the State Department, which oversees defense transfers to Israel, asserted repeatedly that the United States helps maintain Israel's QME by, among other things, ensuring that WRSA-I "can be used to boost Israeli defenses in the case of a significant military emergency."<sup>12</sup>

This echoed the U.S. Army's description of worldwide WRSA stockpiles as "ensur[ing] United States preparedness to assist designated allies in case of war," so that those allies are better-equipped to handle the fighting themselves rather than relying on American forces to do so. Similarly, the Pentagon defines WRSA's purpose as "ensuring support for selected allied forces in time of war until future in-country production and external resupply can meet the estimated combat consumption."<sup>13</sup>

Israel is known to have drawn from WRSA-I at least twice since the stockpile became available for its use after 1989. With permission from the Bush and Obama administrations, respectively, Israel purchased tank and artillery rounds during the 2006 Lebanon and 2014 Gaza conflicts. In the latter instance, the Pentagon stated "it is vital to U.S. national interests to assist Israel to develop and maintain a strong and ready self-defense capability. This defense sale is consistent with those objectives."<sup>14</sup>

# WRSA-I: America's Intent Unmet

The specific contents of WRSA-I are classified, and differences of opinion exist within the United States and Israel about the utility of those contents to Israel. But overall there appear to be serious concerns that WRSA-I's stated purpose of supporting Israel's self-defense in an emergency is unmet. Of highest concern is the very real potential that the stockpile contains mostly obsolete unguided (as opposed to precision-guided) munitions of limited value to Israel's self-defense needs in wartime.

Several driving factors combine to create this stockpile shortfall, including:

- Growing importance of PGMs for upholding Israel's QME, and sheer Israeli demand for these weapons to conduct major operations and minimize collateral damage in a looming high-intensity, Iran-led regional war;
- U.S. PGM shortages due to limited production capacity, high usage rates and competing demands for prepositioning from other theaters;
- Division of authority between Congress, which authorizes and appropriates the overall quantity of materiel in WRSA-I, and the Pentagon, which decides on the specific weapons systems to emplace in the stockpile.

## *A. Israeli Operational Demand*

Israel is America's frontline bulwark against Iran, but the threat of large-scale war with Tehran and its proxies imposes significant and perhaps unprecedented operational demands on the Israel Defense Forces (IDF), specifically in terms of PGM usage. This is a function both of the number of airstrikes the IDF will need to conduct and the precision required to minimize collateral damage.

With Tehran's regional footprint expanding precipitously in recent years, for the first time since 1973 Israel confronts the prospect of a multi-front war, possibly encompassing Lebanon, Syria, Iraq, Gaza and even Iran itself. As part of this, Israel also faces a serious and growing QME challenge from Iran's proliferation of cheap, plentiful and increasingly capable armed drones and rockets and missiles, including precision munitions. The critical threat here is Hezbollah's more than 130,000 rockets and missiles in Lebanon, which it can fire at a rate of up to 3,000 per day – as many as in the entire 34-day 2006 conflict – to overwhelm Israel's relatively small number of advanced missile defense systems. In this regard Israel's ability to prevail in the war at acceptable cost will depend on neutralizing Hezbollah's rocket and missile arsenals on the ground in Lebanon, not over the skies of Israel.

Indeed, the IDF expects to conduct as many strike sorties in the first 48 hours as in the entire 2006 Lebanon War, perhaps employing four to five times as much airpower overall as in the previous round with Hezbollah. Most of these airstrikes will necessitate use of PGMs.<sup>15</sup> Hezbollah's rockets and missiles, as well as many other weapons systems, are intentionally – and illegally – interspersed among thousands of subterranean military strongholds in hundreds of villages throughout southern Lebanon. Minimizing collateral damage likely will require the

IDF to employ significant quantities of PGMs in neutralizing launchers and other weapons amid apartment blocs, hospitals, schools, mosques and other civilian infrastructure.<sup>16</sup> By increasing the probability of accurate strikes, PGMs also reduce the amount of munitions Israel will have to expend overall. Shortages of these munitions in a major campaign could compel the IDF to use less accurate unguided ordnance, as happened late in the 2014 Gaza conflict, thereby increasing the risks of noncombatant casualties or compelling the IDF to curtail sorties and thus fall short of its operational objectives.

Foreshadowing both the expected extent and intensity of this war, Israel's ongoing "campaign between the wars" to forestall Iran's regional entrenchment has entailed thousands of precision airstrikes in Syria, Iraq and Gaza, in the process exceeding Israel's projected usage and depleting its recent purchases of tens of thousands of U.S.-made PGMs from Boeing and Raytheon. This further heightens the risk – absent any meaningful replenishment – of having to conduct emergency wartime resupply of Israel that could seriously strain U.S. airlift and sealift, especially if the U.S. military needs those same logistical capabilities for its own concurrent operations.

Moreover, while U.S. official strategy documents continue to articulate the importance of countering Iran, the United States has been reducing its footprint and commitments in the Middle East as it refocuses on great power competition in Europe and Indo-Pacific. Consequently helping Israel defend itself takes on added importance for protecting U.S. interests in the absence of U.S. presence. As precedent, the United States compensated for cutting forces in Europe in the late 1960s by placing more equipment in POMCUS depots. By facilitating the rapid return of these forces in an emergency, prepositioning both reassured NATO allies of America's commitment to their defense and reinforced deterrence against the Warsaw Pact.<sup>17</sup>

## *B. U.S. PGM Shortages*

Israel relies on purchases from the United States to sustain its PGM inventories, given both its minimal indigenous production capacity for these munitions and defense budget limitations. But simultaneous with heavy Israeli usage, the United States has faced real challenges replenishing its own stocks.

Dating back as much as a decade, there were concerns the United States was not procuring sufficient PGM quantities to build reserves for major contingency operations, and that stockpiles accordingly were shrinking to dangerously low levels. In tandem with a broader \$1 trillion reduction in defense spending over the same period, this in turn hurt the demand, and with it economies of scale, that American defense companies needed to maintain ample production lines for U.S. and foreign customers alike.

Existing supplies then began declining rapidly, even as procurement remained insufficient. Beginning in 2014, the strategic surprise of Islamic State in Iraq and Syria (ISIS) unexpectedly caused the U.S. military's PGM consumption to jump nearly ten-fold over four years, from less than 5,000 in 2013 to roughly 45,000 in 2017.<sup>18</sup> (To minimize collateral damage, an estimated 99.5 percent of all U.S. airstrikes during this period employed PGMs.<sup>19</sup>) At the same time, rising great power competition in both Europe and Indo-Pacific created competing calls for prepositioned PGMs. To some extent, ramped up production by U.S. defense companies helped fill these shortfalls; yet to fully meet demand the U.S. military also drew from globally prepositioned PGM stockpiles.<sup>20</sup>

The outlook may change in coming years, as U.S. PGM production capacity has increased while future U.S. procurement is projected to fall. This concerns particularly Joint Direct Attack Munition (JDAM) tail kits, which are among Israel's top procurement priorities. By adding GPS guidance, a JDAM kit converts an unguided gravity bomb to a precision guided "smart" munition (specifically a GBU-31, -32 or -38).

To address recent shortfalls and meet rising demand from the U.S. military and foreign customers, U.S. defense companies ramped up annual JDAM production capacity from 18,500 in 2014 to a "max out" at 45,000 in 2017, though the ability of the U.S. defense industrial base to maintain high PGM output is uncertain, absent steady demand.<sup>21</sup> Meanwhile JDAM procurement by the U.S. military has tapered off – from nearly 43,000 in 2017 to under 40,000 in 2018 and 28,000 last year – and is projected to decrease steadily to 20,000 this year, 12,000 in 2021, 9,000 in 2022 and 4,000 in 2023.<sup>22</sup>

Separately, and unlike many formal American allies, Israel is not highly integrated into the U.S. military's global logistics supply chains, even though certain Israeli airbases are designed and built to U.S. standards. Nor do U.S. forces generally operate out of Israel, though occasionally the U.S. Air Force conducts joint exercises at Israeli airbases. Combined with Pentagon concerns about the security and sustainment of U.S. materiel at Israeli sites, these factors help explain U.S. military reluctance to store PGMs and other weaponry in Israeli depots.

### *C. Stockpile Quantity vs. Quality*

Congressional efforts to support WRSA-I arguably are not sufficient to help Israel address its PGM requirements. Through authorizing legislation, Congress stipulates the total value of military assets that can be transferred to any WRSA stockpile in a given year, but not what specific weapons and other materiel to transfer. Indeed, Congress lacks the convening authority to dictate such decisions to the Executive Branch.

Consequently, even as Congress repeatedly affirms the need to support Israel's self-defense through WRSA-I, and even as the stockpile's monetary value has grown steadily from roughly \$100 million in 1989 to a reported \$1.2 billion today, the utility of its contents for supporting Israel's self-defense likely falls short of that stated intent.

Legislators have started seeking to address this dilemma. The National Defense Authorization Act (NDAA) for fiscal year (FY) 2019 authorized a joint U.S.-Israeli assessment of Israel's PGM requirements for sustained war with Hezbollah or Hamas, and of the United States' ability in either scenario to resupply Israel without jeopardizing its own PGM requirements.<sup>23</sup>

Separate legislation passed in the current Senate seeks to authorize the president to transfer PGMs from reserve stocks to Israel "as necessary for legitimate self-defense." It also would require the president to certify to Congress that any PGM transfer from U.S. stocks to Israel would leave sufficient supplies for the United States, while also meeting its commitment to transfer such munitions to Israel. The bill includes a sense of Congress that the president should prescribe procedures for assisting Israel with the rapid acquisition and deployment of PGMs.<sup>24</sup> However, as of June 2020, the findings of the joint U.S.-Israeli assessment remain classified while the Senate bill has yet to be considered by the House.

# Recommendations

These recent initiatives from Congress are welcome initial signals of concern about the inadequacy of PGM stockpiles for Israel's self-defense. But addressing WRSA-I's potentially glaring shortcomings will require stronger lines of effort from both countries. In implementing relevant steps laid out below, American policymakers should consider Israeli weapons depots as viable alternatives for prepositioning, should there be U.S. legal hurdles to replenishing PGMs in WRSA-I itself.

## *A. Replenish Prepositioned PGM Stocks in Israel*

Most directly, the United States should support Israel's ability to defend itself and U.S. interests by replenishing stocks of critical PGMs in WRSA-I, including JDAM kits for unguided munitions and GBU-39 and GBU-53/B small diameter bombs (SDB).

## *B. Enhanced Reporting on WRSA-I*

The classified joint assessment mandated by the FY2019 NDAA is the primary, and perhaps only, source of current information outside the Pentagon on WRSA-I's contents. Without specifying privileged information, a non-confidential report or audit by the Government Accountability Office (GAO) or U.S. Army Office of the Inspector General (DAIG) could provide American policymakers and the public with a clearer, updated picture of the extent to which WRSA-I's stated intent is being met, and by extension whether official U.S. national security objectives are being fulfilled.

Accordingly, Congress should instruct GAO, DAIG or another agency to:

- Report to Congress whether Israel's QME is being eroded by PGM shortages, including potential shortages in WRSA-I stocks should Israel have to draw on them in an emergency;
- Investigate and report whether potential shortages could be ameliorated by:
  - Replacing obsolete items in WRSA-I with munitions better-suited to maintaining Israel's QME;
  - Frontloading outlays authorized to implement the 2016 bilateral memorandum of understanding (MoU) on U.S. defense assistance to Israel.

The report should also update the FY2019 NDAA's requirement that the U.S.-Israel joint assessment of Israel's PGM requirements cover contingencies only concerning Hezbollah and Hamas, and only concerning them separately. As the threat to Israel of a multi-front Iran-led war grows, the matters detailed in the assessment should cover the quantity and type of PGMs necessary for Israel to combat "Iran and its proxies in Lebanon, Syria, Iraq, Gaza and elsewhere" simultaneously.



### *C. Expedited Contracting for Israeli PGM Orders*

Even as the above report is being prepared, American officials could use the Special Defense Acquisition Fund (SDAF) to hasten Israeli acquisition of PGMs without imposing additional overall costs on the United States. The SDAF permits the Pentagon to finance the purchase of weapons and other defense articles in advance of their sale and transfer to partner countries, thereby giving U.S. defense companies a head-start on production and shortening delivery times. This also gives U.S. defense companies greater certainty of demand to maintain production capacity, while lessening the Pentagon's need to draw down its own inventories for transfers to allies. Furthermore, in recent years the fund's authorization from Congress has been tied to procuring and stockpiling PGMs.

By beginning immediately to acquire relevant PGMs, the Pentagon could use the SDAF to expedite their transfer to Israel, in exchange for Israeli payment from security assistance or other funds upon delivery. Given the Israeli government's current budgetary limitations, this would have the double benefit of supporting the IDF's urgent PGM requirements while also facilitating Jerusalem's ability to pay for the transfers by easing somewhat its current cash flow difficulties.

### *D. Regionalize the Stockpile in Israel*

The United States also should consider expanding WRSA-I from the current bilateral concept into a regional stockpile. In addition to providing for Israeli emergency needs, a regionalized depot would include PGMs and other materiel to cover U.S. contingency operations and potentially those of partner countries in the region. Though the stockpile would contain U.S. materiel, certain munitions within could be coded for Israeli use. As with WRSA-I, Israel could continue paying a significant share of maintenance costs, and the United States would retain title to the contents until transfer to Israel or others.

Given the growing shared threat to the United States and Israel from Iran regionwide, this reconceived stockpile could support projected wartime requirements for U.S. Central Command (CENTCOM) – whose area of responsibility covers the entire Middle East save Israel – as well as those of EUCOM, in which Israel currently resides. Reflecting Israel's security cooperation with Egypt and Jordan, and rising sub rosa ties to Saudi Arabia, UAE and others, the new paradigm for WRSA-I could support operations by partner countries in CENTCOM's area of responsibility as well.

A regionalized stockpile likely would need to be expanded, including potentially utilizing Israeli depots or building new infrastructure there, to create the capacity and resiliency to support unexpected, concurrent (and possibly joint) high-intensity operations by the United States, Israel and potentially others. By the same token, and to help avoid recurrent PGM shortages, the United States should consider relocating some existing CENTCOM regional stocks to Israel, which provides a more secure prepositioning location than other U.S. depots in the region. This would not initially involve new U.S. financial outlays.

### *E. Loan U.S. Weapons to Israel*

The United States also could loan PGMs to Israel, possibly as a stopgap measure, especially as the U.S. military is projected to reduce PGM procurement appreciably in the next few years, particularly JDAMs. While American defense officials routinely caution against this possibility, U.S. law permits direct leasing to Israel of U.S. defense articles directly from commercial suppliers if the president determines there are compelling national security reasons for doing so.<sup>25</sup> Because U.S. and Israeli PGMs employ separate software protocols, a bilateral working group should be established to develop options for implementing such an approach.

### *F. Larger Israeli Contracts for PGMs*

Without jeopardizing U.S. stockpiles, and separate from efforts to replenish and update WRSA-I, Israel could increase the rate and volume of PGM deliveries by offering larger and more steady procurement contracts. This may be the most expeditious option to remedy Israel's current PGM problem, and would help guarantee supply stability for Israel and insulate it somewhat against potential future WRSA-I shortfalls. By creating stable demand, especially with U.S. military procurement of PGMs now projected to fall, such contracts are also more attractive economically for U.S. defense suppliers and thus would help "move Israel to the front of the line." As our policy project laid out in a recent report, there are several options to shift forward, or "frontload," funds laid out in the 2016 MoU, without raising the annual cost of the MoU to the United States.<sup>26</sup>

Specifically, frontloading would enable Israel to assume higher priority for delivery from U.S. defense contractors by beginning to offer bigger single- or multi-year PGM procurement contracts, and/or larger contracts for direct commercial sales. As the Pentagon's head of acquisitions said publicly last year to allies with dwindling PGM stockpiles: "Don't wait. Buy now."<sup>27</sup>

# Endnotes

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