

Key Points of Congressional Funding for Israel

Matt Kenney Vice President for Government Affairs

> Gabriel Noronha Gemunder Center Fellow

Following Hamas's attack on October 7, 2023, President Biden requested that Congress provide emergency supplemental funding for Israel as part of a broader security package that also included assistance for Ukraine and Taiwan. An intense debate ensued between Democrats and Republicans over the past six months over whether this aid should be packaged together or whether measures to address U.S. border security should also be included. This week a package of bills—the National Security Supplemental, totaling \$95.3 billion and containing provisions to support Israel and confront Iran that closely track many of JINSA's previous recommendations—was finally passed and signed into law.

To finally cut through this legislative Gordian Knot, last week, under a carefully constructed rule, the House of Representatives held separate votes on bills supporting Israel (which passed 366-58), Ukraine (which passed 311 to 112), and Indo-Pacific Security (which passed 385 to 34). All three of these separate measures, together with more than a dozen additional national security bills, many of which targeted Iranian support for terrorism and attempts to avoid U.S. sanctions, were then combined back together into a single bill and sent to the Senate. On Tuesday, the Senate passed this combined security package 79-18, and it was signed into law by President Biden on Wednesday. The final legislation includes:

- \$26.4 billion in supplemental funding related to the conflict in Israel;
- \$60.8 billion for Ukraine in its fight against Russia and to assist U.S. partners in Europe; and
- \$8.2 billion to support regional partners in the Indo-Pacific to deter Chinese aggression.

Israel Security Supplemental Highlights			
Provision	President's Request	Law	
Support For U.S. Operations in CENT-COM & Red Sea Amid Houthi Attacks	Request Predated Houthi Escalation	\$2.4 Billion	
Israel Air and Missile Defense (Iron Dome & David's Sling)	\$4 Billion	\$4 Billion	
Iron Beam Directed Energy Air Defense	\$1.2 Billion for Research	\$1.2 Billion for Pro-	
System	and Development	curement	
Replacing DOD Stocks	\$4.4 Billion	\$4.4 Billion	
Improving U.S. Ammunition Plants	\$801 Million	\$801 Million	
Defense Production Act Purchases	\$199 Million	\$199 Million	
Foreign Military Financing (FMF) For Israel	Nothing Requested	\$3.5 Billion to Secure Undefined Advanced Weapon Systems	
Modification of Requirements for De- fense Articles That DOD Transfers to Is- rael	Included	Included	

Waive Annual Caps on Transfer of De- fense Articles into the War Reserve Stockpile Allies-Israel (WRSA-I)	Included	Included
Securing U.S. Embassies Abroad	\$200 Million (for Middle East)	\$200 Million (for Middle East)
Migration and Refugee Assistance (MRA) Funding	\$3.5 Billion	\$3.5 Billion, with Prohibition on Fund- ing to United Na- tional Relief and Works Agency (UNRWA)
Global Humanitarian Assistance Efforts	\$5.7 Billion	\$5.7 Billion
FEMA Nonprofit Security Grant Program (used to help secure locations like Jewish temples and synagogues in America)	Requested General Support	\$400 Million

Shortly before Senate passage of the bill, Democrat and Republican leaders emphasized the importance of completing the bill. Minority Leader Mitch McConnell remarked: "When Iranbacked terrorists invaded the Jewish state on October 7 to slaughter innocent Israelis, I warned that the world would watch closely for signs that American leadership was actually weakening. For months, our friends have watched to see whether America still had the strength that won the Cold War, or the resolve that has underpinned peace and prosperity literally for decades. Our enemies have tested whether the arsenal of democracy is, in fact, built to endure." Majority Leader Chuck Schumer added: "Tonight, after more than six months of hard work and many twists and turns on the road, America sends a message to the entire world: we will not turn our back on you. Tonight we tell our allies: we stand with you. We tell our adversaries: don't mess with us. We tell the world: the United States will do everything to safeguard democracy and our way of life."

<u>Israel Security Supplemental - Key Details</u> Support for U.S. Operations in the Middle East

❖ \$2.4 billion in support for operations in the CENTCOM area of operations, including in the Red Sea.

This funding will help protect U.S. forces in the Middle East, enable them to execute counterextremist missions and protect shipping through some of the world's most important maritime chokepoints. The threat level in the region remains elevated. On April 13-14, the Iranian regime and its proxies launched mass barrages for a total of over 300 projectiles, including approximately 170 one-way attack drones, 120 medium-range ballistic missiles, and 30 land-attack cruise missiles at Israel, primarily from Iranian territory with minor additional attacks from Iraq, Syria, Lebanon, and Yemen. It is clear that U.S. efforts to foster better cooperation between Israel and its Arab neighbors against the mounting threat of Iran's missile arsenal paid significant dividends to defend against this attack, but subsequent attacks remain possible. As JINSA closely tracks in our monthly Iran Projectile Tracker, though Iran-backed attacks in Iraq and Syria against U.S. forces have largely quieted since February 5 – after a U.S. response to an attack that killed three U.S. servicemembers on January 28 – until that date, according to the Department of Defense, Iran-backed groups had launched "168 [attacks on U.S. forces], 67 in Irag, 100 [in] Syria, and of course the one in Jordan." In February, DoD confirmed that of the nearly 186 U.S. troops injured or killed in these attacks, 130 of them – or 70 percent – sustained traumatic brain injuries. Attacks by the Yemeni Houthis on U.S. military vessels and commercial

ships passing through the Red Sea also continue, in an area that accounts for roughly 12 percent of global trade each year. In March the Houthis launched 35 projectile attacks consisting of 93 drones and missiles.

> For more details, please see JINSA's Iran Projectile Tracker, Iran's Failed Kill Shot Leaves it Vulnerable and Strikes Against the Houthis Should Not Be a One-Off

Support for Israel Air and Missile Defense Capabilities

\$4 billion for Iron Dome and David's Sling air and missile defense systems.

This was JINSA's top recommendation to support Israel after October 7. Both systems, which are co-produced with the United States, have saved countless Israeli and Palestinian lives and, in the process, helped reduce Israel's urgency to respond to attacks that otherwise would have imposed serious costs on Israel - most recently, in the impressive interdiction of Iran's massive missile and drone strikes on April 13-14. Yet Israel's prolonged, munitions-intensive, multifront conflicts since October 7 already are depleting its interceptor stockpiles, and the looming prospect of an all-out conflict with Hezbollah in Lebanon, combine to make replenishment a top priority.

- > For more detail on the effectiveness of these programs during previous conflicts, see JINSA's Israel's Operation Shield and Arrow Recap and Gaza Conflict 2021 Assessment
- Procurement of the Iron Beam defense system capabilities to counter short-range threats.

Directed energy systems, like Iron Beam, could drastically decrease the costs of intercepting projectiles, such as rockets and mortars fired from Gaza and Lebanon, whose trajectory is too low and/or short to be intercepted by Iron Dome. Moreover, a single-use Israeli Tamir interceptor for an Iron Dome battery costs \$40,000-\$100,000 to shoot down projectiles costing only a few hundred dollars apiece - an equation that encourages Iran-backed aggression and places Israel on the wrong side of the cost curve. .

> For more from JINSA on this issue, see: U.S. Should Draw in Israel, Regional Players for Directed Energy Development, U.S., Israeli, Arab Coordination in Mideast Against Iran Comes to Fruition

Defense Articles (Including Ammunition and Spare Parts)

\$4.4 billion to replace defense articles from DOD stocks and reimburse DOD for services provided to Israel; improve ammunition production capabilities; and quickly acquire critical defense articles.

This is in line with JINSA's recommendation to provide Israel with ammunition and spare parts for its predominantly U.S.-produced weapons systems, such as the F-16 and F-35 aircraft and Black Hawk and Apache helicopters. The intense tempo of operations required to defend Israel will inevitably deplete munitions inventories and accrue wear and tear to these platforms. The ability to repair them quickly will be vital to maintaining Israeli readiness and deterrence.

Improve U.S. ammunition plants and equipment to increase capacity and accelerate the production of equipment in order to more rapidly replenish defense stocks provided to Israel.

These provisions are consistent with JINSA's recommendation to replenish Israel's stocks of basic ammunition, such as the recently authorized transfer of more than 1,800 Mark-84 2,000pound and 500 Mark-82 500-pound general-purpose bombs to Israel in March. The additional funds now added to the Defense Production Act Purchases Account at DOD will also be used to mitigate industrial base constraints to allow for faster U.S. production of weapons and equipment in the medium-term.

Increases to the State Department's Foreign Military Financing (FMF) account for Israel.

Not included in the President's initial emergency request, the final bill includes useful additional provisions for FMF, which enable Israel to procure U.S.-made weaponry with U.S. military assistance funds. Depending on how "advanced weapon systems" is interpreted, this could be in line with JINSA's key recommendation to move swiftly to restock Israel with Joint Direct Attack Munitions (JDAM) and Small Diameter Bombs (SDB) needed to ensure precision strikes and minimize collateral damage.

Modification of Excess Defense Articles Requirements

❖ Modification of requirements for certain defense articles that the DOD transfers to Israel.

Existing law authorizes DOD to transfer certain categories of defense articles to Israel in exchange for certain concessions from Israel, subject to multiple restrictions—including that the articles are obsolete or surplus to DOD and 30-day congressional notification requirements. This provision will allow for the transfer of all categories of defense articles; remove the requirement that these articles be obsolete or surplus to DOD; allow DOD greater flexibility in determining the value of the concessions provided in exchange for the transfers; and provide for the possibility of shortening the 30-day prior notice period. Such a change will significantly speed up U.S. resupply efforts to Israel in the midst of the current crisis.

War Reserve Stockpile Allies-Israel (WRSA-I)

Waive monetary caps for fiscal year 2024 which limits DOD's ability to transfer defense articles into WRSA-I.

Consistent with JINSA's key recommendation that the United States should make sure that its stockpile of prepositioned supplies in Israel, WRSA-I, is adequately stocked with critical weapons for Israel to access in emergencies such as wartime. Current law imposes a \$500 million per fiscal year cap for all U.S. contributions to foreign country stockpiles, as well as a WRSA-Ispecific monetary cap of \$200 million per fiscal year within that broader \$500 million cap. This provision waives these restrictions amid the current conflict and, if utilized to upgrade WRSA-I with much-needed precision guided munitions, should significantly support some of Israel's most critical defense needs.

> For more from JINSA on this issue, see: The Arsenal of Democracy's Stockpile in Israel; and Anchoring the U.S.-Israel Alliance: Rebuilding America's Arms Stockpile in Israel

Humanitarian Assistance

❖ \$3.5 billion in funding for the Migration and Refugee Assistance (MRA) account to provide humanitarian assistance to support displaced and otherwise conflict-affected civilians, including refugees from Ukraine and Palestinians in Gaza and the West Bank. The final bill notably prohibits funding for the United National Relief and Works Agency (UNRWA).

U.S. oversight of humanitarian assistance in Gaza is limited. While UNRWA is the lead UN agency operating in Gaza and, along with its implementing partners, charged with distributing humanitarian assistance, there is a significant concern that U.S. assistance could be diverted to Hamas and other terrorist groups inside Gaza. Recent reports of Hamas seizing fuel and other supplies from UNRWA facilities is only the latest in over a decades-long trend of brazen Hamas appropriations of crucial humanitarian resources for its own terrorist activity. NSC spokesperson John Kirby has <u>admitted</u>, "we don't have a footprint" in Gaza. "I mean, we're not on the ground to personally inspect these things, but we do have trusted partners on the ground, including the U.N. and some of these aid organizations who will report what they're seeing." These concerns led directly to the funding restrictions on UNRWA included in the final bill.

For more from JINSA see: <u>Alleged UNRWA Involvement in 10/7 Attack Highlights Dangers of Agency and U.S. Aid to Gaza Almost Certain to End Up in Hamas Hands</u>

Increasing Pressure on Iran - Key Provision Details

In addition to the supplemental appropriation bills providing support for Israel, Ukraine, and the Indo-Pacific, the House of Representatives also incorporated more than a dozen other pieces of legislation into the final National Security Supplemental package, including notable measures to increase pressure on Iran such as:

The Stop Harboring Iranian Petroleum Act (SHIP Act)

The SHIP Act previously passed the House as a standalone bill in November in a bipartisan vote of 342-69 and was reported favorably by the Senate Foreign Relations Committee on April 16. It requires the President to impose sanctions on foreign persons who own or operate foreign ports who knowingly permit a vessel to dock that has been sanctioned for transporting Iranian oil or petroleum products; requires sanctions on the owner or operators of vessels conducting ship-to-ship transfers of Iranian oil; requires sanctions on persons who own or operate refineries processing Iranian oil; and requires sanctions on the family members of all such individuals as well. The SHIP Act also requires a strategy from the Secretary of State on the People's Republic of China's role in evading U.S. sanctions on Iranian exports of petroleum and petroleum products.

JINSA has long advocated that the key mechanism to deprive the Iranian regime of war funds is to limit its oil exports through strict enforcement of oil sanctions. For the past three years, the Biden Administration has let a "ghost fleet" of tankers export Iranian oil, primarily to China, without consequence or sanctions on many of the vessels, ports, and refineries involved.

For more from JINSA see: The Golden Days Return for Iran

❖ The Fight and Combat Rampant Iranian Missile Exports Act (Fight CRIME Act)

This bill earlier passed the House with an overwhelming bipartisan vote of 403-8 in September and was reported favorably by the Senate Foreign Relations Committee on April 16 as the Making Iran Sanctions Stick In Lieu of Expiration of Sanctions (MISSILES) Act. It declares it is the policy of the United States to seek the extension of UN sanctions on Iran's missile-related restrictions that expired in October 2023; requires sanctions on all foreign persons involved in Iran's drone and missile program; and requires a strategy to return international sanctions on Iran's drone and missile program.

The Fight CRIME Act comprehensively requires the Executive Branch to sanction every type of trade, transfer, acquisition, and deployment of Iranian drone and missile goods and technologies. Importantly, these sanctions also are directed to be applied against all adult family members of those involved in these programs. It also requires the Secretary of State to identify and

sanction as a Foreign Terrorist Organization any Iranian entity, including the Islamic Revolutionary Guard Corps, involved in attacking U.S. citizens using drones – which could cause additional entities in Iran's conventional military forces to be designated as Foreign Terrorist Organizations, triggering immigration restrictions and greater law enforcement penalties for cooperation with such groups.

For more from JINSA see: <u>JINSA Fellow Gabriel Noronha Testifies Before Congress on Threats From Iran and Russia and Opportunities to Disrupt Iran-Russia Drone Axis</u>

❖ The Mahsa Amini Human Rights and Security Accountability (MAHSA) Act

This provision directs the president to review annually and sanction any individuals in the Iranian regime's leadership that meets the criteria for the imposition of sanctions under one or more of the U.S. sanctions programs for terrorism and human rights abuses, including in the Supreme Leader's Office and in the office of the President of Iran.

The Hamas and Other Palestinian Terrorist Groups International Financing Prevention Act

This provision directs the President to impose sanctions within 180 days after the passage of the Act on any individual who assists in sponsoring or providing significant financial, material, or technological support for acts of terrorism; or who engages in a significant transaction with senior members of Hamas, Palestinian Islamic Jihad, Al-Aqsa Martyrs' Brigade, the Lion's Den, or their affiliates and supporters.

It also directs the President to impose financial penalties and arms export restrictions for one year against any foreign country deemed to have provided significant material or financial support to these terrorist groups or their affiliates and successors. This provision aims to pressure any country, particularly those like Qatar or Turkey that maintain strong ties with Hamas leadership, but provides the President with a waiver authority.

The No Technology for Terror Act

The inclusion of this bill will help prevent the proliferation of Western-made components to Iran's drone program. The Act extends the "foreign direct product rule" to Iran, restricting the re-export or transfer of U.S.-originated items from any foreign country to Iran that would be helpful for Iran's missile and drone programs. The products include technology and equipment such as cameras, lasers, and sensors. This a direct response to the proliferation of U.S.- and Western-made components ending up in Iranian suicide drones, whose components are often found to comprise 50 to 95 percent of Western origin.

For more from JINSA see: Opportunities to Disrupt Iran-Russia Drone Axis

❖ The Iran-China Energy Sanctions Act of 2023

This provision requires sanctions against any Chinese financial institution involved in a significant transaction relating to Iranian oil and petroleum products, Iranian drones, or related parts or systems. Combined with the SHIP and Fight CRIME Acts, this provision should help further increase pressure on China's ability to support Iranian malign activity.