

# Key Provisions of U.S. Security Assistance to Israel

Several provisions included in the annual State Department-Foreign Operations Appropriations Bill help Israel maximize the benefits of U.S. assistance. Below is a brief explanation of the key provisions or terms used when discussing American assistance to Israel.

## ▶ Foreign Military Financing (FMF)

All of Israel's aid now comes in the form of military assistance through the FMF program.

## ▶ Early Disbursal

This provision in the annual foreign aid bill allows Israel to receive its security assistance at the beginning of the fiscal year, rather than as military purchases are made over time. Under this provision, Israel receives its full allotment of security assistance at the beginning of the fiscal year or 30 days after final enactment of the bill, whichever is later.

## ▶ Offshore Procurement

Under this provision, Israel is allowed to spend a portion of its security assistance to buy military hardware within Israel. The "offshore procurement" provision gives Israel the flexibility to use "no less than" 26.3 percent of American military aid to purchase home-grown equipment designed specifically to meet the array of threats Israel faces. Offshore procurement helps Israel preserve its military industrial base, which is critical to its national security.

## ▶ Qualitative Military Edge

For decades, the United States has been committed to maintaining Israel's "qualitative military edge," which has been defined by Congress as Israel's "ability to counter and defeat any credible conventional military threat from any individual state or possible coalition of states or from non-state actors." Direct U.S. security assistance provided in the annual foreign aid bill is the most tangible way that the United States



U.S. aid to Israel enables the Jewish state to purchase equipment that maintains its qualitative military edge.

helps Israel maintain its military superiority and counters the great disparity in defense spending between Israel and potential adversaries in the Middle East.

▶ **Refugee Resettlement Grant**

The U.S. government provides an annual grant (now \$30 million) to the Jewish Agency/United Israel Appeal to help transport and resettle immigrants within Israel. Today, these funds are primarily used for the absorption of immigrants from Ethiopia.

▶ **Earmark**

Congress can mandate (not just recommend) that a specific amount of money shall be spent for a specific purpose. For Israel each year, Congress mandates that “no less than” the slated level of aid for that fiscal year “shall” be provided. Israel’s annual earmark is a programmatic one and differs from the special project earmarks that have been the source of much controversy.

▶ **10-Year Plan**

The United States and Israel signed a 10-year security agreement in August 2007 aimed at boosting U.S. security assistance to help Israel deal with increasing threats. Under the plan, Israel received \$2.55 billion in fiscal year 2009, the first year of the decade-long program, and \$2.775 billion in fiscal year 2010, the second year of the program. The plan calls for Israel to receive \$3 billion in fiscal year 2011 and \$3.075 billion in fiscal year 2012 before leveling off at \$3.1 billion for the remaining six years. In 1998, the U.S. and Israeli governments agreed to the first 10-year plan to restructure U.S. assistance to Israel. Under this plan, U.S. economic aid to Israel was gradually phased out while the level of security assistance was gradually increased from \$1.8 billion in 1999 to \$2.4 billion in 2008.