

MEMMO

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New MOU Vital to Israel's Security

On Sept. 14, the United States and Israel concluded a new memorandum of understanding (MOU), which—subject to annual congressional approval—will provide \$38 billion in U.S. security assistance to Israel from 2019 through 2028. The United States has long defined Israel's security as important to its own national interests. Accordingly, this historic MOU will provide Israel with the assistance to help it defend itself, by itself, against mounting security threats. The MOU sends a strong message of deterrence to America's and Israel's regional adversaries that the two allies stand together amid increased regional instability and chaos.

New MOU signifies America's continued commitment to Israel's security.

- **\$38 Billion:** Beginning in fiscal year 2019, the new MOU pledges \$38 billion in U.S. security assistance to Israel over 10 years.
- **Missile Defense:** Of the \$38 billion, \$5 billion is designated for missile defense. Over the last decade, the United States' investment in joint missile defense has protected countless Israeli lives and bolstered the ability of the U.S. military to protect its troops and American interests abroad.
- **A Continued Commitment:** The new agreement—the third of its kind—takes effect when the current 10-year MOU, worth \$30 billion, expires in 2018. The first 10-year MOU, signed in 1998 and worth \$21.3 billion, increased security assistance to Israel while phasing out economic aid.
- **QME:** The new MOU is a vital component of the U.S. effort to carry out its longstanding pledge to maintain Israel's regional qualitative military edge (QME)—the ability to counter and defeat any credible conventional military threat while sustaining minimal damages and casualties.



The United States will provide Israel with \$38 billion dollars under the terms of a new 10-year MOU. (AP/Drew Angerer)

U.S. support for Israel is critical to America's regional interests.

- **Anchor of Stability:** In an increasingly uncertain Middle East, Israel is the one stable democratic ally upon which America can consistently depend. Cooperation between the two countries in intelligence, homeland security, missile defense and counterterrorism has helped the United States meet its growing security challenges. U.S. support for Israel helps deter regional conflict by making clear to potential foes that they cannot defeat the Jewish state.
- **Israeli Innovation:** As a result of the strong friendship between Israel and the United States, the Israel Defense Forces (IDF) and the U.S. military share technologies and techniques that greatly benefit both nations. Israel has pioneered cutting edge technologies in cyber weapons, unmanned vehicles, sensors and electronic warfare systems, and advanced defenses for military vehicles. In

addition, Israeli battlefield medical technologies have saved countless American lives. The innovative use of U.S. military equipment by the IDF, coupled with shared know-how, has helped the U.S. military improve its own equipment and tactics.

Israel faces greater threats and increased cost than it did a decade ago.

- **Mounting Threats:** Israel faces a significant array of threats stemming both from direct challenges to the Jewish state and from the growing chaos gripping the region. To its north, Israel confronts terrorist groups including Hezbollah and the Islamic State; to its south, Israel faces Hamas in Gaza while jihadist terrorists roam the Sinai Peninsula. Israel's greatest threat remains Iran, which can use its renewed access to more than \$100 billion in frozen assets to help fuel its own military buildup and its support for regional destabilization. These threats, combined with evolving and emerging challenges require Israel to strengthen its armed forces.
- **Increasing Costs:** To deal with the region's mounting threats, Israel—a tiny nation the geographic size of New Jersey—has been forced to spend more on defense as a percentage of its GDP than any other nation in the industrialized world. The rising costs of advanced weaponry only compound Israel's challenges. For example, a single F-35 Joint Strike Fighter will cost Israel more than \$110 million, over twice the cost of an F-16 fighter jet purchased under the first U.S.-Israel agreement in 1998. The region is facing increased instability and chaos, which is creating new and complex challenges to the Jewish state.

Investing in Israel is an investment in America.

- **Made in America:** Under the current MOU, Israel is required to spend nearly 75% of its security assistance in the United States—purchasing U.S. defense products and creating American jobs. At the same time, since the mid-1980s, Congress has permitted Israel to spend a part of its military assistance locally. This Offshore Procurement (OSP) has enabled Israel to buy and maintain systems uniquely suited to Israeli defense requirements, helping Israel to maintain its QME. The new MOU gradually phases out OSP, so that by the end of the agreement, all security assistance will be spent in the U.S. The gradual phasing out of OSP will enable Israel to make the necessary budgetary and industrial adjustments to accompany this significant change in its aid program.