

109TH CONGRESS  
1ST SESSION

# H. R. 2730

To establish a grant program to fund eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2005

Mr. SHADEGG (for himself, Mr. SHERMAN, Mr. KING of New York, Mr. PASTOR, Mr. BURTON of Indiana, Mr. RENZI, Mr. MILLER of Florida, Mr. CANNON, Mr. PALLONE, Mr. ENGEL, Mr. CROWLEY, Mr. GORDON, Mr. KENNEDY of Rhode Island, Ms. BERKLEY, Mr. McNULTY, Mrs. MALONEY, Mr. WAXMAN, and Ms. SCHAKOWSKY) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To establish a grant program to fund eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States-Israel  
5 Energy Cooperation Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) it is in the highest national security inter-  
4 ests of the United States to ensure secure access to  
5 reliable energy sources;

6 (2) the United States relies heavily on the for-  
7 eign supply of crude oil to meet the energy needs of  
8 the United States, currently importing 58 percent of  
9 the total oil requirements of the United States, of  
10 which 45 percent comes from member states of the  
11 Organization of Petroleum Exporting Countries  
12 (OPEC);

13 (3) revenues from the sale of oil by some of  
14 these countries directly or indirectly provide funding  
15 for terrorism and propaganda hostile to the values  
16 of the United States and the West;

17 (4) in the past, these countries have manipu-  
18 lated the dependence of the United States on the oil  
19 supplies of these countries to exert undue influence  
20 on United States policy, as during the embargo of  
21 OPEC during 1973 on the sale of oil to the United  
22 States, which became a major factor in the ensuing  
23 recession;

24 (5) research by the Energy Information Admin-  
25 istration of the Department of Energy has shown  
26 that the dependence of the United States on foreign

1 oil will increase by 33 percent over the next 20  
2 years;

3 (6) a rise in the price of imported oil sufficient  
4 to increase gasoline prices by 10 cents per gallon at  
5 the pump would result in an additional outflow of  
6 \$18,000,000,000 from the United States to oil-ex-  
7 porting nations;

8 (7) for economic and national security reasons,  
9 the United States should reduce, as soon as prac-  
10 ticable, the dependence of the United States on na-  
11 tions that do not share the interests and values of  
12 the United States;

13 (8) the State of Israel has been a steadfast ally  
14 and a close friend of the United States since the cre-  
15 ation of Israel in 1948;

16 (9) like the United States, Israel is a democracy  
17 that holds civil rights and liberties in the highest re-  
18 gard and is a proponent of the democratic values of  
19 peace, freedom, and justice;

20 (10) cooperation between the United States and  
21 Israel on such projects as the development of the  
22 Arrow Missile has resulted in mutual benefits to  
23 United States and Israeli security;

24 (11) the special relationship between Israel and  
25 the United States has been and continues to be

1 manifested in a variety of jointly-funded cooperative  
2 programs in the field of scientific research and de-  
3 velopment, such as—

4 (A) the United States-Israel Binational  
5 Science Foundation (BSF);

6 (B) the United States-Israel Binational  
7 Agricultural Research and Development Fund  
8 (BARD); and

9 (C) the United States-Israel Binational In-  
10 dustrial Research and Development (BIRD)  
11 Foundation;

12 (12) these programs, supported by the match-  
13 ing contributions from the Government of Israel and  
14 the Government of the United States and directed  
15 by key scientists and academics from both countries,  
16 have made possible many scientific breakthroughs in  
17 the fields of life sciences, medicine, bioengineering,  
18 agriculture, biotechnology, communications, and oth-  
19 ers;

20 (13) on February 1, 1996, United States Sec-  
21 retary of Energy Hazel R. O’Leary and Israeli Min-  
22 ister of Energy and Infrastructure Gonen Segev  
23 signed the Agreement Between the Department of  
24 Energy of the United States of America and the  
25 Ministry of Energy and Infrastructure of Israel Con-

1 cerning Energy Cooperation, to establish a frame-  
2 work for collaboration between the United States  
3 and Israel in energy research and development ac-  
4 tivities;

5 (14) Israeli scientists and researchers have long  
6 been at the forefront of research and development in  
7 the field of alternative renewable energy sources;

8 (15) many of the top corporations of the world  
9 have recognized the technological and scientific ex-  
10 pertise of Israel by locating important research and  
11 development facilities in Israel;

12 (16) among the technological breakthroughs  
13 made by Israeli scientists and researchers in the  
14 field of alternative, renewable energy sources are—

15 (A) the development of a cathode that uses  
16 hexavalent iron salts that accept 3 electrons per  
17 ion and enable rechargeable batteries to provide  
18 3 times as much electricity as existing recharge-  
19 able batteries;

20 (B) the development of a technique that  
21 vastly increases the efficiency of using solar en-  
22 ergy to generate hydrogen for use in energy  
23 cells; and

24 (C) the development of a novel membrane  
25 used in new and powerful direct-oxidant fuel

1 cells that is capable of competing favorably with  
2 hydrogen fuel cells and traditional internal com-  
3 bustion engines; and

4 (17) cooperation between the United States and  
5 Israel in the field of research and development of al-  
6 ternative renewable energy sources would be in the  
7 interests of both countries, and both countries stand  
8 to gain much from such cooperation.

9 **SEC. 3. GRANT PROGRAM.**

10 (a) ESTABLISHMENT.—The Secretary, in consulta-  
11 tion with the BIRD or BSF, shall establish a grant pro-  
12 gram to award grants to eligible entities.

13 (b) APPLICATION.—

14 (1) SUBMISSION OF APPLICATIONS.—To receive  
15 a grant under this section, an eligible entity shall  
16 submit an application to the Secretary, in consulta-  
17 tion with the BIRD or BSF, containing such infor-  
18 mation and assurances as the Secretary may require.

19 (2) SELECTION OF ELIGIBLE ENTITIES.—The  
20 Secretary, in consultation with the Directors of the  
21 BIRD and BSF, may review any application sub-  
22 mitted by any eligible entity and select any eligible  
23 entity meeting criteria established by the Secretary,  
24 in consultation with the Advisory Board, for a grant  
25 under this section.

1 (c) AMOUNT OF GRANT.—The amount of each grant  
2 awarded for a fiscal year under this section shall be deter-  
3 mined by the Secretary, in consultation with the BIRD  
4 or BSF.

5 (d) RECOUPMENT.—

6 (1) IN GENERAL.—Not later than 180 days  
7 after the date of enactment of this Act, the Sec-  
8 retary shall establish procedures and criteria for  
9 recoupment in connection with any eligible project  
10 carried out by an eligible entity that receives a grant  
11 under this section, which has led to the development  
12 of a product or process which is marketed or used.

13 (2) AMOUNT REQUIRED.—

14 (A) Except as provided in subparagraph  
15 (B), such recoupment shall be required as a  
16 condition for award and be proportional to the  
17 Federal share of the costs of such project, and  
18 shall be derived from the proceeds of royalties  
19 or licensing fees received in connection with  
20 such product or process.

21 (B) In the case where a product or process  
22 is used by the recipient of a grant under this  
23 section for the production and sale of its own  
24 products or processes, the recoupment shall

1 consist of a payment equivalent to the payment  
2 which would be made under subparagraph (A).

3 (3) WAIVER.—The Secretary may at any time  
4 waive or defer all or some of the recoupment re-  
5 quirements of this subsection as necessary, depend-  
6 ing on—

7 (A) the commercial competitiveness of the  
8 entity or entities developing or using the prod-  
9 uct or process;

10 (B) the profitability of the project; and

11 (C) the commercial viability of the product  
12 or process utilized.

13 (e) PRIVATE FUNDS.—The Secretary may accept  
14 contributions of funds from private sources to carry out  
15 this Act.

16 (f) REPORT.—Not later than 180 days after receiving  
17 a grant under this section, each recipient shall submit a  
18 report to the Secretary—

19 (1) documenting how the recipient used the  
20 grant funds; and

21 (2) evaluating the level of success of each  
22 project funded by the grant.

1 **SEC. 4. INTERNATIONAL ENERGY ADVISORY BOARD.**

2 (a) ESTABLISHMENT.—There is established in the  
3 Department of Energy an International Energy Advisory  
4 Board.

5 (b) DUTIES.—The Advisory Board shall advise the  
6 Secretary on—

7 (1) criteria for the recipients of grants awarded  
8 under the grant program established under section  
9 4(a);

10 (2) the total amount of grant money to be  
11 awarded to all grantees selected by the Secretary, in  
12 consultation with the BIRD; and

13 (3) the total amount of grant money to be  
14 awarded to all grantees selected by the Secretary, in  
15 consultation with the BSF, for each fiscal year.

16 (c) MEMBERSHIP.—

17 (1) COMPOSITION.—The Advisory Board shall  
18 be composed of—

19 (A) 1 member appointed by the Secretary  
20 of Commerce;

21 (B) 1 member appointed by the Secretary  
22 of Energy; and

23 (C) 2 members who shall be Israeli citi-  
24 zens, appointed by the Secretary of Energy  
25 after consultation with appropriate officials in  
26 the Israeli Government.

1           (2) DEADLINE FOR APPOINTMENTS.—The ini-  
2           tial appointments under paragraph (1) shall be  
3           made not later than 60 days after the date of enact-  
4           ment of this Act.

5           (3) TERM.—Each member of the Advisory  
6           Board shall be appointed for a term of 4 years.

7           (4) VACANCIES.—A vacancy on the Advisory  
8           Board shall be filled in the manner in which the  
9           original appointment was made.

10          (5) BASIC PAY.—

11                 (A) COMPENSATION.—A member of the  
12                 Advisory Board shall serve without pay.

13                 (B) TRAVEL EXPENSES.—Each member of  
14                 the Advisory Board shall receive travel ex-  
15                 penses, including per diem in lieu of subsist-  
16                 ence, in accordance with applicable provisions of  
17                 subchapter I of chapter 57 of title 5, United  
18                 States Code.

19          (6) QUORUM.—Three members of the Advisory  
20          Board shall constitute a quorum.

21          (7) CHAIRPERSON.—The Chairperson of the  
22          Advisory Board shall be designated by the Secretary  
23          of Energy at the time of the appointment.

1           (8) MEETINGS.—The Advisory Board shall  
2 meet at least once annually at the call of the Chair-  
3 person.

4           (d) TERMINATION.—Section 14(a)(2)(B) of the Fed-  
5 eral Advisory Committee Act (5 U.S.C. App.) shall not  
6 apply to the Advisory Board.

7 **SEC. 5. DEFINITIONS.**

8           In this Act:

9           (1) ADVISORY BOARD.—The term “Advisory  
10 Board” means the International Energy Advisory  
11 Board established by section 4(a).

12           (2) BIRD.—The term “BIRD” means the  
13 United States-Israel Binational Industrial Research  
14 and Development Foundation.

15           (3) BSF.—The term “BSF” means the United  
16 States-Israel Binational Science Foundation.

17           (4) ELIGIBLE ENTITY.—The term “eligible enti-  
18 ty” means a joint venture comprised of both Israeli  
19 and United States private business entities or a joint  
20 venture comprised of both Israeli academic persons  
21 (who reside and work in Israel) and United States  
22 academic persons, that—

23                   (A) carries out an eligible project; and

24                   (B) is selected by the Secretary, in con-  
25 sultation with the BIRD or BSF, using the cri-

1           teria established by the Secretary, in consulta-  
2           tion with the Advisory Board.

3           (5) ELIGIBLE PROJECT.—The term “eligible  
4           project” means a project to encourage cooperation  
5           between the United States and Israel on research,  
6           development, or commercialization of alternative en-  
7           ergy, improved energy efficiency, or renewable en-  
8           ergy sources.

9           (6) SECRETARY.—The term “Secretary” means  
10          the Secretary of Energy, acting through the Assist-  
11          ant Secretary of Energy for Energy Efficiency and  
12          Renewable Energy.

13 **SEC. 6. TERMINATION.**

14          The grant program established under section 3 and  
15          the Advisory Board shall terminate upon the expiration  
16          of the 7-year period which begins on the date of the enact-  
17          ment of this Act.

18 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

19          There is authorized to be appropriated to carry out  
20          this Act \$20,000,000 for each of fiscal years 2006 through  
21          2012.

22 **SEC. 8. CONSTITUTIONAL AUTHORITY.**

23          The Constitutional authority on which this Act rests  
24          is the power of Congress to make all laws which shall be

1 necessary and proper as enumerated in Article I, Section  
2 8 of the United States Constitution.

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