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(Original Signature of Member)

109TH CONGRESS
1ST SESSION

H. R. _____

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.

IN THE HOUSE OF REPRESENTATIVES

Mr. SHADEGG introduced the following bill; which was referred to the Committee on _____

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);

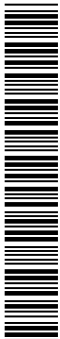
6 (B) the United States-Israel Binational
7 Agricultural Research and Development Fund
8 (BARD); and

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) Israeli scientists and researchers have long
21 been at the forefront of research and development in
22 the field of alternative renewable energy sources;

23 (14) many of the top corporations of the world
24 have recognized the technological and scientific ex-



1 pertise of Israel by locating important research and
2 development facilities in Israel;

3 (15) among the technological breakthroughs
4 made by Israeli scientists and researchers in the
5 field of alternative, renewable energy sources are—

6 (A) the development of a cathode that uses
7 hexavalent iron salts that accept 3 electrons per
8 ion and enable rechargeable batteries to provide
9 3 times as much electricity as existing recharge-
10 able batteries;

11 (B) the development of a technique that
12 vastly increases the efficiency of using solar en-
13 ergy to generate hydrogen for use in energy
14 cells; and

15 (C) the development of a novel membrane
16 used in new and powerful direct-oxidant fuel
17 cells that is capable of competing favorably with
18 hydrogen fuel cells and traditional internal com-
19 bustion engines; and

20 (16) cooperation between the United States and
21 Israel in the field of research and development of al-
22 ternative renewable energy sources would be in the
23 interests of both countries, and both countries stand
24 to gain much from such cooperation.



1 **SEC. 3. GRANT PROGRAM.**

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

5 (b) APPLICATION.—

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

11 (2) SELECTION OF ELIGIBLE ENTITIES.—The
12 Secretary, in consultation with the Directors of the
13 BIRD and BSF, may review any application sub-
14 mitted by any eligible entity and select any eligible
15 entity meeting criteria established by the Secretary,
16 in consultation with the Advisory Board, for a grant
17 under this section.

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

22 (d) RECOUPMENT.—

23 (1) IN GENERAL.—Not later than 180 days
24 after the date of enactment of this Act, the Sec-
25 retary shall establish procedures and criteria for
26 recoupment in connection with any eligible project



1 carried out by an eligible entity that receives a grant
2 under this section, which has led to the development
3 of a product or process which is marketed or used.

4 (2) AMOUNT REQUIRED.—

5 (A) Except as provided in subparagraph
6 (B), such recoupment shall be required as a
7 condition for award and be proportional to the
8 Federal share of the costs of such project, and
9 shall be derived from the proceeds of royalties
10 or licensing fees received in connection with
11 such product or process.

12 (B) In the case where a product or process
13 is used by the recipient of a grant under this
14 section for the production and sale of its own
15 products or processes, the recoupment shall
16 consist of a payment equivalent to the payment
17 which would be made under subparagraph (A).

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

22 (A) the commercial competitiveness of the
23 entity or entities developing or using the prod-
24 uct or process;

25 (B) the profitability of the project; and



1 (C) the commercial viability of the product
2 or process utilized.

3 (e) PRIVATE FUNDS.—The Secretary may accept
4 contributions of funds from private sources to carry out
5 this Act.

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

9 (1) documenting how the recipient used the
10 grant funds; and

11 (2) evaluating the level of success of each
12 project funded by the grant.

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

14 (a) ESTABLISHMENT.—There is established in the
15 Department of Energy an International Energy Advisory
16 Board.

17 (b) DUTIES.—The Advisory Board shall advise the
18 Secretary on—

19 (1) criteria for the recipients of grants awarded
20 under the grant program established under section
21 4(a);

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



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

4 (c) MEMBERSHIP.—

5 (1) COMPOSITION.—The Advisory Board shall
6 be composed of—

7 (A) 1 member appointed by the Secretary
8 of Commerce;

9 (B) 1 member appointed by the Secretary
10 of Energy; and

11 (C) 2 members who shall be Israeli citi-
12 zens, appointed by the Secretary of Energy
13 after consultation with appropriate officials in
14 the Israeli government.

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

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

21 (4) VACANCIES.—A vacancy on the Advisory
22 Board shall be filled in the manner in which the
23 original appointment was made.

24 (5) BASIC PAY.—



1 (A) COMPENSATION.—A member of the
2 Advisory Board shall serve without pay.

3 (B) TRAVEL EXPENSES.—Each member of
4 the Advisory Board shall receive travel ex-
5 penses, including per diem in lieu of subsist-
6 ence, in accordance with applicable provisions of
7 subchapter I of chapter 57 of title 5, United
8 States Code.

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

11 (7) CHAIRPERSON.—The Chairperson of the
12 Advisory Board shall be designated by the Secretary
13 of Energy at the time of the appointment.

14 (8) MEETINGS.—The Advisory Board shall
15 meet at least once annually at the call of the Chair-
16 person.

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

20 **SEC. 5. DEFINITIONS.**

21 In this Act:

22 (1) ADVISORY BOARD.—The term “Advisory
23 Board” means the International Energy Advisory
24 Board established by section 4(a).



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

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

6 (4) ELIGIBLE ENTITY.—The term “eligible enti-
7 ty” means a joint venture comprised of both Israeli
8 and United States private business entities or a joint
9 venture comprised of both Israeli academic persons
10 (who reside and work in Israel) and United States
11 academic persons, that—

12 (A) carries out an eligible project; and

13 (B) is selected by the Secretary, in con-
14 sultation with the BIRD or BSF, using the cri-
15 teria established by the Secretary, in consulta-
16 tion with the Advisory Board.

17 (5) ELIGIBLE PROJECT.—The term “eligible
18 project” means a project to encourage cooperation
19 between the United States and Israel on research,
20 development, or commercialization of alternative en-
21 ergy, improved energy efficiency, or renewable en-
22 ergy sources.

23 (6) SECRETARY.—The term “Secretary” means
24 the Secretary of Energy, acting through the Assist-



1 ant Secretary of Energy for Policy and International
2 Affairs.

3 **SEC. 6. TERMINATION.**

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

8 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

9 There is authorized to be appropriated to carry out
10 this Act \$20,000,000 for each of fiscal years 2006 through
11 2012.

12 **SEC. 8. CONSTITUTIONAL AUTHORITY.**

13 The Constitutional authority on which this Act rests
14 is the power of Congress to make all laws which shall be
15 necessary and proper as enumerated in Article I, Section
16 8 of the United States Constitution.

