

# Union Calendar No. 305

109TH CONGRESS  
2D SESSION

# H. R. 2730

[Report No. 109-543]

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

JUNE 29, 2006

Additional sponsors: Mr. MARSHALL, Mr. MEEK of Florida, Mr. OWENS, Mr. CHANDLER, Mr. ANDREWS, Mrs. MCCARTHY, Mr. GRIJALVA, Mr. HOLT, Ms. ROS-LEHTINEN, Mr. ROTHMAN, Mr. GENE GREEN of Texas, Mr. SKELTON, Mr. BERMAN, Mr. CASE, Mr. BISHOP of New York, Mr. RANGEL, Mr. DENT, Mr. NORWOOD, Mr. FOSSELLA, Mr. ROGERS of Michigan, Mr. DOYLE, Mr. HIGGINS, Mr. WEXLER, Ms. SCHWARTZ of Pennsylvania, Mr. FERGUSON, Mr. BARROW, Ms. WASSERMAN SCHULTZ, Mr. INSLEE, Mr. SCHWARZ of Michigan, Mr. RAMSTAD, Mr. HONDA, Mr. NADLER, Mr. ISRAEL, Mr. MEEKS of New York, Ms. HERSETH, Mr. BROWN of Ohio, Mr. BOYD, Mr. LINDER, Mrs. DAVIS of California, Mr. FRANKS of Arizona, Mr. DAVIS of Alabama, Mr. BISHOP of Georgia, Mrs. BONO, Mrs. KELLY, Mrs. TAUSCHER, Mr. CRENSHAW, Mrs. NORTHUP, Ms. CORRINE BROWN of Florida, Mr. CARDIN, Mr. FILNER, Mr. BROWN of South Carolina, Mr. CALVERT, Mrs. MYRICK, Mr. CARDOZA, Mr. LANGEVIN, Mr. SMITH of New Jersey, Mr. WILSON of South Carolina, Mr. GERLACH, Ms. DELAURO, Mr. DAVIS of Kentucky, Mr. GONZALEZ, Mr. ROSS, Mr. KIRK, Mr. SHAYS, Mr. SAXTON, Ms. LINDA T. SÁNCHEZ of California, Mr. BLUMENAUER, Mr. TOWNS, Mr. STUPAK, Mr.

MELANCON, Mr. SALAZAR, Mr. BOSWELL, Mr. EMANUEL, Mr. PETERSON of Minnesota, Ms. HARMAN, Mr. MICHAUD, Mr. SCHIFF, Mrs. LOWEY, Ms. WATSON, Mr. HASTINGS of Florida, Mr. SHIMKUS, Mr. WYNN, and Mr. LEWIS of Georgia

JUNE 29, 2006

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

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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”.

6        **SEC. 2. FINDINGS.**

7        Congress finds that—

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

11               (2) the United States relies heavily on the for-  
12               eign supply of crude oil to meet the energy needs of  
13               the United States, currently importing 58 percent of  
14               the total oil requirements of the United States, of  
15               which 45 percent comes from member states of the

1 Organization of Petroleum Exporting Countries  
2 (OPEC);

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

7 (4) in the past, these countries have manipu-  
8 lated the dependence of the United States on the oil  
9 supplies of these countries to exert undue influence  
10 on United States policy, as during the embargo of  
11 OPEC during 1973 on the sale of oil to the United  
12 States, which became a major factor in the ensuing  
13 recession;

14 (5) research by the Energy Information Admin-  
15 istration of the Department of Energy has shown  
16 that the dependence of the United States on foreign  
17 oil will increase by 33 percent over the next 20  
18 years;

19 (6) a rise in the price of imported oil sufficient  
20 to increase gasoline prices by 10 cents per gallon at  
21 the pump would result in an additional outflow of  
22 \$18,000,000,000 from the United States to oil-ex-  
23 porting nations;

24 (7) for economic and national security reasons,  
25 the United States should reduce, as soon as prac-

1        ticable, the dependence of the United States on na-  
2        tions that do not share the interests and values of  
3        the United States;

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

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

11           (10) cooperation between the United States and  
12        Israel on such projects as the development of the  
13        Arrow Missile has resulted in mutual benefits to  
14        United States and Israeli security;

15           (11) the special relationship between Israel and  
16        the United States has been and continues to be  
17        manifested in a variety of jointly-funded cooperative  
18        programs in the field of scientific research and de-  
19        velopment, such as—

20            (A) the United States-Israel Binational  
21        Science Foundation (BSF);

22            (B) the United States-Israel Binational  
23        Agricultural Research and Development Fund  
24        (BARD); and

1 (C) the United States-Israel Binational In-  
2 dustrial Research and Development (BIRD)  
3 Foundation;

4 (12) these programs, supported by the match-  
5 ing contributions from the Government of Israel and  
6 the Government of the United States and directed  
7 by key scientists and academics from both countries,  
8 have made possible many scientific breakthroughs in  
9 the fields of life sciences, medicine, bioengineering,  
10 agriculture, biotechnology, communications, and oth-  
11 ers;

12 (13) on February 1, 1996, United States Sec-  
13 retary of Energy Hazel R. O’Leary and Israeli Min-  
14 ister of Energy and Infrastructure Gonen Segev  
15 signed the Agreement Between the Department of  
16 Energy of the United States of America and the  
17 Ministry of Energy and Infrastructure of Israel Con-  
18 cerning Energy Cooperation, to establish a frame-  
19 work for collaboration between the United States  
20 and Israel in energy research and development ac-  
21 tivities;

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

1           (15) many of the top corporations of the world  
2           have recognized the technological and scientific ex-  
3           pertise of Israel by locating important research and  
4           development facilities in Israel;

5           (16) among the technological breakthroughs  
6           made by Israeli scientists and researchers in the  
7           field of alternative, renewable energy sources are—

8                   (A) the development of a cathode that uses  
9                   hexavalent iron salts that accept 3 electrons per  
10                  ion and enable rechargeable batteries to provide  
11                  3 times as much electricity as existing recharge-  
12                  able batteries;

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

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

22           (17) cooperation between the United States and  
23           Israel in the field of research and development of al-  
24           ternative renewable energy sources would be in the

1 interests of both countries, and both countries stand  
2 to gain much from such cooperation.

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

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

7 (b) APPLICATION.—

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

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

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

24 (d) RECOUPMENT.—

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

8           (2) AMOUNT REQUIRED.—

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

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

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

1 (A) the commercial competitiveness of the  
2 entity or entities developing or using the prod-  
3 uct or process;

4 (B) the profitability of the project; and

5 (C) the commercial viability of the product  
6 or process utilized.

7 (e) PRIVATE FUNDS.—The Secretary may accept  
8 contributions of funds from private sources to carry out  
9 this Act.

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

13 (1) documenting how the recipient used the  
14 grant funds; and

15 (2) evaluating the level of success of each  
16 project funded by the grant.

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

18 (a) ESTABLISHMENT.—There is established in the  
19 Department of Energy an International Energy Advisory  
20 Board.

21 (b) DUTIES.—The Advisory Board shall advise the  
22 Secretary on—

23 (1) criteria for the recipients of grants awarded  
24 under the grant program established under section  
25 4(a);

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

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

7 (c) MEMBERSHIP.—

8           (1) COMPOSITION.—The Advisory Board shall  
9 be composed of—

10           (A) 1 member appointed by the Secretary  
11 of Commerce;

12           (B) 1 member appointed by the Secretary  
13 of Energy; and

14           (C) 2 members who shall be Israeli citi-  
15 zens, appointed by the Secretary of Energy  
16 after consultation with appropriate officials in  
17 the Israeli Government.

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

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

1           (4) VACANCIES.—A vacancy on the Advisory  
2 Board shall be filled in the manner in which the  
3 original appointment was made.

4           (5) BASIC PAY.—

5                 (A) COMPENSATION.—A member of the  
6 Advisory Board shall serve without pay.

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

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

15           (7) CHAIRPERSON.—The Chairperson of the  
16 Advisory Board shall be designated by the Secretary  
17 of Energy at the time of the appointment.

18           (8) MEETINGS.—The Advisory Board shall  
19 meet at least once annually at the call of the Chair-  
20 person.

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

24 **SEC. 5. DEFINITIONS.**

25           In this Act:

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

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

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

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

15                   (A) carries out an eligible project; and

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

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

1           (6) SECRETARY.—The term “Secretary” means  
2           the Secretary of Energy, acting through the Assist-  
3           ant Secretary of Energy for Energy Efficiency and  
4           Renewable Energy.

5 **SEC. 6. TERMINATION.**

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

10 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

11           There is authorized to be appropriated to carry out  
12           this Act \$20,000,000 for each of fiscal years 2006 through  
13           2012.

14 **SEC. 8. CONSTITUTIONAL AUTHORITY.**

15           The Constitutional authority on which this Act rests  
16           is the power of Congress to make all laws which shall be  
17           necessary and proper as enumerated in Article I, Section  
18           8 of the United States Constitution.

Union Calendar No. 305

109<sup>TH</sup> CONGRESS  
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