

Explainer: The U.S.-Israel Defense Technology Cooperation Initiative in the National Defense Authorization Act (Sec. 219/Sec. 1217)

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The 2027 National Defense Authorization Act (NDAA) contains a provision that has drawn significant attention. **Section 219 (House) / Section 1217 (Senate) would establish a new initiative within the Department of Defense tasked with expanding U.S.-Israeli cooperation on the development of new defense technology, as well as identifying opportunities to integrate Israeli defense technology into the U.S. military.**

J Street Opposes This Provision.

The United States should not reward Israel with subsidies for research and development projects or Pentagon procurement contracts until it acts in accordance with the Gaza ceasefire, rolls back settlement expansion in the West Bank, and acts constructively in support of U.S. interests in the region.

About the Provision

This section of the NDAA would establish a U.S.-Israel Defense Technology Cooperation Initiative, which is instructed to expand and accelerate joint development of new technologies, the integration of Israeli-origin technologies into U.S. systems, and opportunities for co-production or manufacturing partnerships to jointly produce weapons. The initiative would include technologies such as counter-drone systems, missile defense, artificial intelligence, autonomous systems, quantum technology, biotechnology, directed energy systems, and more.

While Congress instructing the Pentagon to deepen defense cooperation with another country is not unprecedented, the House version's use of a formal Department of Defense Executive Agent (EA) to coordinate such a broad range of defense-technology, procurement, and industrial cooperation with a single foreign partner is.

An Executive Agent is a defined Department of Defense designation that provides significant authority to coordinate and advance programs across the Department. In the Executive Agent's area of responsibility, it has the authority to [override](#) other Department of Defense component heads – including the Secretaries of the various branches of the Armed Forces, Joint Chiefs of Staff, and the leadership of the Office of the Secretary of Defense. Section 219 would give the Executive Agent a broad mandate to identify Israeli-origin and jointly developed technologies for potential use in U.S. military programs, facilitate their transition into Pentagon procurement and acquisition pathways, and establish frameworks for joint ventures between the countries.

The Senate version, Section 1217, does not establish an Executive Agent. Instead, it directs the Secretary of Defense, in consultation with Israel's Minister of Defense, to establish the initiative within the Department of Defense. These differences could be significant as the two chambers reconcile their respective NDAA bills.

What the Section Does Not Do

While some critics have portrayed this section as integrating the U.S. and Israeli militaries themselves, it focuses only on expanding the integration of the two countries' defense industries, rather than the militaries themselves. **It would not link the U.S. and Israel's military forces**, nor would it require specific joint operations in the region or place U.S. forces under Israel's command.

This section also does not grant the Administration any new authorities that it does not already have. The Executive Branch already has the [legal authority](#) to enter joint cooperative defense projects with allied foreign countries. Nor does this provision appropriate any funds for these projects.

However, there are serious flaws with this provision, which receive further discussion below.

Why Now?

The provision comes as Prime Minister Netanyahu [seeks](#) to shift the U.S.-Israel security relationship from direct assistance toward a cooperative framework that includes deeper technological and industrial integration. There have been [ongoing reports](#) that Netanyahu and his allies in the U.S. view these proposals as a way to maintain American financial support for Israel's defense industry while shifting away from direct Foreign Military Financing. Instead, U.S. financial support would flow through joint technological-development projects in which Israel shares part of the cost.

The current U.S.-Israel Memorandum of Understanding (MOU), which expires after Fiscal Year 2028, provides \$3.3 billion annually in Foreign Military Financing and \$500 million annually for cooperative missile defense programs. Netanyahu has said he ultimately wants to phase out U.S. aid to Israel within the next decade. The Prime Minister has argued that because Israel and the United States are both market leaders on key technologies, including cyber, AI, and directed energy, both countries are poised to benefit from a true technological partnership rather than subsidy.

There is an added incentive for Israel to wean itself off FMF given American taxpayers' and politicians' anger that American tax dollars are subsidizing harmful Israeli conduct. In addition, offshore procurement – the program that allows Israel to spend FMF to purchase weapons from its own defense industry, rather than American companies – is scheduled to [phase out](#) completely after 2028. As a result, even if FMF is extended beyond 2028, it would become exclusively available for purchasing US-made weapons, removing a reliable source of funding for Israel's domestic arms industry.

If U.S. funds were appropriated for the joint cooperative projects and procurement contracts envisioned under Sections 219 and 1217, the Israeli defense industry could continue benefiting

from U.S. funding through a different mechanism. This would allow the Israeli government to continue leveraging its security relationship with the United States to provide an industrial subsidy to its domestic defense industry, even as FMF, if extended beyond 2028, would become exclusively available for the purchase of U.S.-made weapons.

The defense cooperation contemplated in Section 219/1217 should therefore be viewed as part of a potential new era of the U.S.-Israel relationship – one that could deepen integration and continue to subsidize Israel's defense industry, even as direct security assistance gets phased out.

Arguments in Support

Expanding and Formalizing Existing Programs: Supporters of Sec. 219 / Sec. 1217 argue that the provision is a logical next step in the U.S.-Israel security relationship and would merely expand and formalize existing successful programs. The United States and Israel have long conducted cooperative research and development, including the Iron Dome, Arrow, and David's Sling missile defense systems, as well as [projects](#) to develop counter-drone, counter-tunneling, and directed energy technology. The U.S. and Israel also already engage in research and development cooperation in several areas of emerging technology covered in this provision – such as AI, counter-drone technology, biotechnology, directed energy systems and others – through the [U.S.-Israel Operations Technology Working Group](#), which was authorized in the FY21 NDAA.

Operational Benefits: Supporters of this provision further argue that it would make technological cooperation with a close ally more efficient and deliver innovative technologies to the American military more rapidly. This would allow the American military more direct access to useful technologies and accelerate both countries' research and development processes. This, they argue, could in turn help save American service members' lives and secure a global competitive edge in next-generation defense technology.

Arguments Against

This provision has faced extensive criticism over political and human rights concerns, as well as process-related, operational, and technical concerns.

Diverging U.S. and Israeli Policy Interests: While Section 219/1217 instructs the Pentagon to provide substantial benefits to the Israeli military and defense industry, including access to cutting-edge U.S. technologies and Pentagon procurement contracts, it requires no reciprocal concessions from Israel. It contains no mechanism to leverage these benefits toward U.S. policy objectives, including implementation of the stalled 20-point plan in Gaza, halting or reversing annexation of the West Bank, prevention of settler violence, and reversing Israel's occupation of large portions of southern Lebanon. Given the significant divergence between U.S. policy objectives and the Israeli government's current actions, the United States should be using its leverage to advance these goals, not providing additional benefits without conditions.

Weakened Human Rights Considerations: Shifting the U.S.-Israel security relationship from a relationship based on arms sales and Foreign Military Financing (FMF) to a relationship based on cooperative projects would have profound implications for human rights considerations. Whereas arms sales funded through FMF are governed by a set of laws that – if enforced – prevent the U.S. from sending weapons to countries that commit grave human rights violations or restrict the flow of U.S.-provided humanitarian aid, there is concern that no equivalent laws would apply to most aspects of cooperation that Section 219/1217 would expand. Pentagon procurement of Israeli systems, as well as the expansion of joint research and development projects, would instead be evaluated primarily through the lens of military procurement – whether a technology could feasibly benefit U.S. defense capabilities.

The cooperation areas outlined in this provision also raise concerns that technology the U.S. jointly develops with Israel could be misused or implicated in war crimes. Previous US-Israel joint defense cooperation has focused largely on defensive systems, such as missile defense and counter-drone technology. In contrast, this provision authorizes joint development in technologies that yield offensive weapons, including artificial intelligence and autonomous systems. Israel's [use](#) of artificial intelligence throughout the war in Gaza has raised serious ethical concerns. Joint cooperation risks U.S. complicity in further abuses, including potential war crimes.

Rushed Process and Lack of Congressional Debate: This proposal to fundamentally overhaul the US-Israel security relationship is being pushed through in a must-pass bill, without hearings or adequate congressional debate – despite the scrutiny such a change should warrant and the intense public interest in the current US-Israel relationship. The closest analogue to this program is the AUKUS Pillar 2 program, which coordinates cooperative efforts by the United States, the United Kingdom, and Australia to research and develop advanced technology. Unlike this provision, [AUKUS Pillar 2](#) was the subject of a congressional working group and multiple congressional hearings.

The Executive Agent: Many experts have expressed concern about the House's inclusion of an Executive Agent and its extensive authority, as mentioned above. In practice, the Executive Agent could have significant authority to implement this initiative, including overruling other Department of Defense components if necessary. The Department of Defense does not have an Executive Agent overseeing cooperative defense programs with any other country.

Backdoor Financial Subsidies: Some experts have argued that this provision is [unnecessary](#), as the United States can already access Israeli military technology under existing statutory authorities (subject to the Israeli government's agreement). Thus this program is not required in order for the American military to gain its purported benefits. In this view, the main function of this provision is to create the appearance of ending U.S. direct grants to Israel, while actually replacing them with American subsidies for the Israeli defense industry in a way that is both more entrenched – via the Pentagon procurement process – and less transparent to the American public and congressional foreign policy committees.

This provision would shift the financial source of the U.S.-Israel security relationship from the State Department – where announcements of arms sales provide transparency and the opportunity for congressional review and joint resolutions of disapproval – to the Pentagon’s realm of procurement, co-production, research and development, and industrial base integration. While an individual arms sale can be blocked or canceled, a network of procurement contracts and cooperative projects is less visible and more difficult to unwind if assessed to no longer be in the United States’ interest. As a result, U.S. support for Israeli defense technologies could become more insulated from public oversight and potentially more difficult to reverse once those technologies are integrated into U.S. military systems and procurement pipelines. And while a Foreign Military Financing grant is capped at a certain level each year, the financial benefits of this provision for the Israeli government would scale with the U.S. military and defense industry’s needs.

Other U.S. National Security Concerns: Other concerns that have been raised include the risk of China acquiring sensitive cutting-edge technology, and concerns that the technologies fielded will disproportionately benefit Israeli defense needs rather than U.S. defense needs.

During the Biden Administration, the U.S. [warned](#) Israel about a web of Chinese companies operating in Israel seeking to acquire advanced defense technologies. Given rising U.S.-China tensions, China has a vested interest in attempting to acquire advanced U.S.-developed technology via Israel. But unlike previous NDAA’s that authorized U.S.-Israel cooperative projects, this provision contains no efforts designed to make sure China does not acquire jointly developed technology (such as Section 1299M(d)(2) in the [FY21 NDAA](#)). Another concern for national security experts is that US-Israel joint cooperative projects have focused almost exclusively on technology to be fielded by Israel, such as Iron Dome and counter-tunneling technology. Joint cooperative projects should theoretically focus on technology that serves the operational needs of both countries, but this provision contains no guarantees that this will be the case.

Analysis

U.S. security cooperation **must contain safeguards** against the use of jointly developed technology to commit gross violations of human rights or serious violations of international humanitarian law. U.S. security assistance and cooperation are already governed by U.S. law, which prohibits security assistance to governments engaged in a pattern of violations of internationally recognized human rights. Current law does not necessarily extend this prohibition to jointly developed systems. It should.

J Street supports strong U.S.-Israel security cooperation where it advances shared U.S. interests and complies with U.S. law. However, Section 219/1217 would deepen defense cooperation with Israel without sufficient oversight, conditions, or benefits to U.S. policy objectives. **J Street opposes the inclusion in the NDAA of this section as written.**