

THE DAILY CALLER NEWS FOUNDATION

US Funding For Israeli Missile Defense Under Attack

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May 23, 2016

The Obama administration has threatened to veto a House bill passed Monday which would invest \$600 million in Israeli missile defense. This measure is related to a 10-year military funding agreement between the U.S. and Israel that may be detrimental to Israel's economy.

According to the Times of Israel, the House version will have to be compatible with the Senate version of the bill, which is expected to be debated this week. The White House has threatened to veto the bill if certain House amendments remain which are related to shrinking the defense budget and the president's National Security Council.

American Israel Public Affairs Committee (AIPAC) spokesperson Marshall Wittmann declined to comment on the provision, only attaching the group's statement released Monday applauding the House passage of the bill.

As part of the 2017 National Defense Authorization Act, Israel will receive almost \$270 million in research and development funding, part of allies' missile and rocket defense programs; \$62 million for procurement of the Iron Dome rocket defense system; \$150 million for maintaining the David's Sling missile defense system; and \$120 million to continue operating the Arrow-3 missile defense system.

Another amendment approved, authored by Illinois Rep. Peter Roskam, would require President Obama to report to Congress what assistance the U.S. is delivering to Israel to improve its ability to protect itself against existential threats, such as Iran's nuclear and ballistic missiles program.

Related to US military assistance to Israel, a bipartisan letter by Reps. Ileana Ros-Lehtinen, Ted Deutsch, Kay Granger, and Nita Lowey dated May 13th calls for the president to agree to a renewed 10-year Memorandum of Understanding (MOU) between the U.S. and Israel. The letter correlates to the 2017 Appropriations Act, which Obama submitted to Congress last February. The current MOU, which sends \$3.1 billion annually to Israel to maintain its defense capabilities, expires next year.

According to officials, Obama and Israeli prime minister Benjamin Netanyahu are currently negotiating an MoU that would provide more than \$30 billion over a 10-year period, which would include advanced weaponry systems.

U.S. military assistance to Israel, however, comes with restrictions for Israel. According to a 2012 report published by the CATO Institute's Doug Bandow: "Israel does not need foreign aid—it is a wealthy nation with a booming hi-tech sector. Weaknesses elsewhere in the economy are largely self-inflicted through collectivist economic practices. Moreover, Israel is a regional military superpower."

Money from the U.S. has conditions, most notably the requirement that Israel purchase U.S. weapons, which raises Israeli acquisition costs.

According to a 2015 report by the Congressional Research Service, a US government source stated Israeli manufacturers must export as much as 75% of their weaponry to stay profitable, which is a higher cost than that of other U.S. military contractors.

According to U.S. and Israeli officials, Obama wants to ensure the funds will be only spent on US-made weapons so that U.S. defense firms will greatly benefit from a new deal.

National Affairs founding editor Yuval Levin published a report almost two decades ago titled "American Aid to the Middle East: A Tragedy of Good Intentions". He writes:

Normally, critiques of foreign aid focus on the economic costs of aid to the American taxpayer. The fact is, though, that all foreign assistance makes up only one half of one percent of the federal budget, and if aid achieved its stated goals, it would be a bargain. These goals, however, have not been and could not be achieved by aid. Moreover, the argument presented here is by no means an argument against American support of Israel. Israel is the only democracy in the Middle East, and has historically been a bridgehead of American influence in the region. Israel deserves to survive and deserves the support of the United States.

U.S. policy makers are wedded to aid because they hope that the economic "carrot" will lead the Middle East away from clashes between interests and powers, and toward a comprehensive peace.

Levin cites that even Israeli politicians have expressed concern over US military assistance to the Jewish State: "If we absolutely needed aid for our defense," Uzi Landau, a former Likud member of the Knesset, said, "it would be worth the associated headaches, but we do not... It will be a painful process, I'm sure, but ultimately our economy and our national security will benefit."