2027 NDAA Provision Seeks Sweeping US-Israel Defense Tech Integration

Critics warn that Section 224 could deepen both countries' military ties, which may be difficult to reverse.

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By Tobias Gibson

Israel Prime Minister Benjamin Netanyahu (left) and President Donald Trump at the White House in Washington, Monday, April 7, 2025. (L. Mulvihill/U.S. DoD Photo/Flickr, Screenshot)

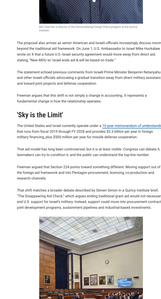
A provision buried into the House National Defense Committee's draft version of the Fiscal Year 2027 defense policy bill could deepen the U.S.-Israel military relationship beyond traditional aid and into a far deeper form of defense-industrial integration.

Section 224 of the draft National Defense Authorization Act (NDAA), the "United States-Israel Defense Technology Cooperation Initiative," would require the defense secretary to designate an executive agent to coordinate U.S.-Israel defense technology research, development, testing, evaluation, integration and industrial cooperation. It specifically describes the provision as covering bilateral defense technology work, integration and industrial cooperation.

Supporters view the proposal as a way to strengthen cooperation between two longtime security partners which they argue it would move the relationship beyond traditional military aid and into a far deeper system of defense-industrial integration that would be harder for Congress, taxpayers, and even future administrations, to monitor or unwind. The U.S. and Israel jointly struck iron on Feb. 28, leading to the ongoing war in the Middle East that has enveloped multiple nations.

Ben Freeman, director of the Democratizing Foreign Policy program at the Quincy Institute, warned in Responsible Statecraft that "Congress quietly moves to integrate US and Israeli militaries," adding that measure could intertwine the two countries' military sectors at a level not previously seen in any U.S. ally.

Freeman told Military.com that the provision reaches across "seemingly every area of defense tech," including artificial intelligence, quantum technology, autonomous systems, directed energy, cyber and biotechnology. He said the most alarming terms were "network integration" and "data fusion," since the bill does not clearly define them.



President Donald Trump and Israel Prime Minister Benjamin Netanyahu at the Oval Office in Washington, Monday, April 7, 2025. (L. Mulvihill/U.S. DoD Photo/Flickr)

The proposal also arrives as senior American and Israeli officials increasingly discuss moving beyond the traditional aid framework. On June 1, U.S. Ambassador to Israel Mike Huckabee wrote on X that a future U.S.-Israel security agreement would move away from direct aid, stating, "New MOU or 'Israel ends and it will be based on trade."

The statement echoed previous comments from Israel Prime Minister Benjamin Netanyahu and other Israeli officials advocating a gradual transition away from direct military assistance and toward joint projects and defense cooperation.

Freeman argues that this shift is not simply a change in accounting. It represents a fundamental change in how the relationship operates.

'Sky is the Limit'

The United States and Israel currently operate under a 10-year memorandum of understanding that runs from fiscal 2019 through FY 2028 and provides $3.3 billion per year in foreign military financing and $500 million per year for missile defense cooperation.

That aid model has long been controversial, but it is at least visible. Congress can debate it, lawmakers can try to condition it, and the public can understand the top-line number.

Freeman argued that Section 224 points toward something different. Moving support out of the foreign aid framework and into Pentagon procurement, licensing, co-production and research channels.

That shift matches a broader debate described by Steven Simon in a Quincy Institute brief, "The Disappearing Aid Check," which argues ending traditional grant aid would not necessarily end U.S. support for Israel's military. Instead, support could move into procurement contracts, joint development programs, sustainment pipelines and industrial-based investments.

President Donald Trump and Israel Prime Minister Benjamin Netanyahu at the Oval Office in Washington, Monday, April 7, 2025. (L. Mulvihill/U.S. DoD Photo/Flickr)

Freeman said that matters because the new model would be harder for ordinary Americans to see or influence. Aid is capped by a memorandum of understanding and publicly appropriated. Procurement, licensing and co-production can be spread across different budgets, agencies, programs and partnerships spread across different parts of the Defense Department.

Under the aid model, he said, a voter who objects to Israel military actions can call a member of Congress and demand a vote against aid. But under the procurement model, "You have no one to call."

"You basically have to call the Department of Defense and say, 'Hello, Pete Hegseth, please stop doing business with Israel," he said.

The transparency concern is sharpened by the Pentagon's own accounting problems. The Defense Department completed its seventh consecutive department-wide financial statement audit, but still failed to achieve a clean opinion, while saying that it aims to achieve unqualified audit opinions by the end of 2028.

Freeman said that if U.S. support for Israel's armed forces contracts, data-sharing arrangements, licensing agreements and joint ventures, "There is no upper bound for the level of cooperation here."

"The sky is the limit," he said. "It would be all too impossible to come up with a full estimate of exactly how much U.S. money is going to Israel."

Data Fusion and Intelligence Risks

Perhaps the most controversial language in Section 224 involves "network integration" and "data fusion." The legislation does not clearly define either term. Freeman said that ambiguity is exactly what concerns him.

"I take it as meaning the U.S. military would be able to access the Israeli military's data," he said, adding that his concern is rooted in previous disputes over technology sharing.

In 2020, the U.S. Army acquired two Israeli-made Iron Dome batteries. However, Army officials later concluded that the system could not be fully integrated into the Army's broader air and missile defense architecture.

After providing the equipment, Israel was unwilling to provide source code and technical information necessary for full integration. The Army ultimately decided not to pursue additional Iron Dome purchases.

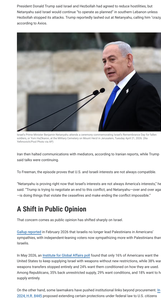
To Freeman, that history raises an obvious question. If Israel previously resisted sharing critical technical information with the United States, what guarantees exist that future data sharing arrangements would be fully reciprocal?

The Jobs Trap

Freeman believes the most politically significant aspect of Section 224 may have nothing to do with technology. Instead, he points to jobs.

Section 224 could encourage Israeli-linked defense firms to expand co-production facilities, joint ventures and manufacturing work inside the United States. Once those jobs exist, they become political assets.

Freeman called that possibility "the real Trojan horse" in the proposal. He argued that Israeli firms could replicate the familiar American defense-industry strategy of spreading production across congressional districts, making lawmakers reluctant to oppose programs that support local employment.



Israel Prime Minister Benjamin Netanyahu speaks at the American Israel Public Affairs Committee (AIPAC) conference, Monday, March 2, 2026 in Washington. (AP Photo/Mark Schiefelbein)

The F-35 program offers the clearest example of how that works. Lockheed Martin-spread suppliers and jobs across dozens of states, helping create political support that makes the program extraordinarily difficult to cancel.

Freeman compared that dynamic to what could happen if Israeli defense firms build deeper U.S. manufacturing footprints.

"They would put that on top of what is already, arguably, the most powerful special interest in all of U.S. politics," he said. "It would put the Israel lobby on steroids."

The issue is not hypothetical. Recent reporting has already identified Israeli-linked defense manufacturing and drone production inside the United States, including facilities connected to companies such as XTENDI.

Hard to Unwind

Freeman points to Turkey's removal from the F-35 program as an example of how difficult defense-industrial disentanglement can be.

Ankara was expelled from the program over its purchase of Russia's S-400 air defense system, the Pentagon spent years shifting production keys from Turkish suppliers that had been manufacturing hundreds of F-35 components. The transition required finding and qualifying replacement suppliers, rearchasing portions of the supply chain, and absorbing additional costs before Turkey could be fully removed from the program.

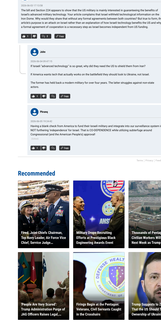
That was one program. Section 224 would potentially touch multiple domains at once.

Freeman argued that if Israel later took actions that caused Washington to reconsider the relationship, disentangling the two defense sectors could take years and create real national security risks.

A Dangerous Time to Integrate

Recent Middle East diplomacy shows why deeper integration is risky.

President Donald Trump said Israel and Hezbollah had agreed to reduce hostilities, but Netanyahu said Israel would continue "to operate as planned" in southern Lebanon unless Hezbollah stopped its attacks. Trump reportedly lashed out at Netanyahu, calling him "crazy," according to Axios.



Israel Prime Minister Benjamin Netanyahu speaks at a ceremony marking Israel Independence Day, Monday, April 28, 2025, in Tel Aviv. (Gil Cohen-Magen/Pool via AP)

Iran then halted communications with mediators, according to Iranian reports, while Trump said talks were continuing.

To Freeman, the episode proves that U.S. and Israeli interests are not always compatible.

"Netanyahu is proving right now that Israel's interests are not always America's interests," he said. "Trump is trying to negotiate an end to this conflict, and Netanyahu—over and over again—is doing things that violate the ceasefires and make ending the conflict impossible."

A Shift in Public Opinion

That concern comes as public opinion has shifted sharply on Israel.

Gallup reported in February 2026 that Israelis no longer lead Palestinians in Americans' sympathies, with independent-leaning voters now sympathetic more with Palestinians than Israelis.

In May 2026, an Institute for Global Affairs poll found that only 16% of Americans want the United States to keep supplying Israel with weapons without new restrictions, while 28% want weapons transfers stopped entirely and 24% want conditions, and 19% want the United States to halt supply entirely.

On the other hand, some lawmakers have pushed institutional links beyond procurement. In 2024, H.R. 8481 proposed extending certain protections under federal law to U.S. citizens serving in the Israel Defense Forces.

Freeman said he has seen bipartisan concern about Section 224, including interest from figures on the right and left.

His pitch to Congress was direct: "The American people don't want it. Listen to your constituents, not your lobbyists. Strip out Section 224 from the NDAA."

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The bill and Section 224 appears to show that the US military is mainly interested in guaranteeing the benefits of Israeli-linked defense firms operating in the US and creating political support for continuing the current US-Israel ties. Who would be stupid enough to believe that without any formal agreements between both countries? But we do know, from actions pursuant to an attempt to break rather than an acceleration of the Israel-Gaza-Hezbollah war, that Israel is willing to violate ceasefires and place its Israel-Gaza-Hezbollah war ahead of Israel-Iran-Lebanon-Hezbollah-Iran-US-Gaza-Hezbollah-Iran-Lebanon-Hezbollah-Iran-Israel-Iran-Hezbollah-Iran-US-Gaza