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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Arms Export Control Act in support of Australia and the
AUKUS partnership.

IN THE HOUSE OF REPRESENTATIVES

Mrs. KIM of California introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Arms Export Control Act in support of
Australia and the AUKUS partnership.

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 “Keeping our Allies
5 Leading in Advancement Act” or the “KOALA Act”.

1 **SEC. 2. EXCEPTIONS FOR AUSTRALIA RELATING TO LI-**
2 **CENSING OF DEFENSE ARTICLES AND DE-**
3 **FENSE SERVICES FOR EXPORT UNDER THE**
4 **ARMS EXPORT CONTROL ACT.**

5 (a) IN GENERAL.—Section 38(j)(1) of the Arms Ex-
6 port Control Act (22 U.S.C. 2778(j)(1)) is amended—

7 (1) by redesignating subparagraph (C) as sub-
8 paragraph (D); and

9 (2) by inserting after subparagraph (B) the fol-
10 lowing:

11 “(C) EXCEPTIONS FOR AUSTRALIA.—

12 “(i) IN GENERAL.—Subject to clause
13 (iii), the requirement to conclude a bilat-
14 eral agreement in accordance with sub-
15 paragraph (A) shall not apply with respect
16 to an exemption for Australia from the li-
17 censing requirements of this Act for the
18 export of defense articles or defense serv-
19 ices that is issued in furtherance of or in
20 connection with the multilateral coopera-
21 tive partnership between Australia, the
22 United Kingdom, and the United States
23 announced on September 21, 2021.

24 “(ii) RELATING TO OTHER LICENSING
25 AND APPROVAL REQUIREMENTS.—Notwith-
26 standing any other provision of this section

1 (other than clause (iii)), the President
2 shall exempt from the licensing or other
3 approval requirements of this section ex-
4 ports and transfers (including reexports,
5 retransfers, temporary imports, and
6 brokering activities) of defense articles or
7 defense services between the United States,
8 Australia, and the United Kingdom.

9 “(iii) JOINT RESOLUTION OF DIS-
10 APPROVAL.—

11 “(I) IN GENERAL.—No exemp-
12 tion described in clause (i) or (ii) may
13 be made if Congress enacts a joint
14 resolution disapproving of the exemp-
15 tion.

16 “(II) CONSIDERATION IN SEN-
17 ATE.—Any joint resolution under this
18 clause shall be considered in the Sen-
19 ate in accordance with the provision
20 of section 601(b) of the International
21 Security Assistance and Arms Export
22 Control Act of 1976.

23 “(III) CONSIDERATION IN THE
24 HOUSE OF REPRESENTATIVES.—For
25 the purpose of expediting the consid-

1 eration and enactment of any joint
2 resolution under this clause, a motion
3 to proceed to the consideration of any
4 such joint resolution after it has been
5 reported by the appropriate committee
6 shall be treated as highly privileged in
7 the House of Representatives.

8 “(iv) INAPPLICABILITY OF CERTAIN
9 CERTIFICATION REQUIREMENTS.—

10 “(I) IN GENERAL.—Paragraphs
11 (1) through (3) of section 3(d) shall
12 not apply to transfers (including
13 transfers of United States Govern-
14 ment sales or grants, or commercial
15 exports authorized under this chapter)
16 of defense articles or defense services
17 to Australia.

18 “(II) REPORT.—The President
19 shall submit to the Speaker of the
20 House of Representatives, the Com-
21 mittee on Foreign Affairs of the
22 House of Representatives, and the
23 Committee on Foreign Relations of
24 the Senate on a semiannual basis a
25 report on all transfers that would be

1 subject to the requirements of para-
2 graphs (1) and (2) of section 3(d) but
3 for the application of subclause (I),
4 except for marketing or brokering ac-
5 tivities, temporary imports, or amend-
6 ments to existing marketing or
7 brokering licenses. Any such report
8 shall contain all of the information re-
9 quired to be contained in certifications
10 issued pursuant to section 3(d)(1) for
11 each transfer identified.

12 “(v) AUKUS TRANSFER REPORTING
13 REQUIREMENTS.—Any United States per-
14 son transferring a defense item between or
15 among the United States, the United
16 Kingdom, and Australia that would have
17 required a license under this section but
18 for an exemption issued pursuant to clause
19 (i) or (ii) of this subsection shall report
20 that transfer to the Secretary no later than
21 90 days after the transfer occurs.”.

22 (b) MODIFICATION OF EXCEPTION FOR DEFENSE
23 TRADE COOPERATION TREATIES.—Subparagraph (D) of
24 section 38(j)(1) of the Arms Export Control Act (22

1 U.S.C. 2778(j)(1)), as so redesignated by subsection
2 (a)(1), is further amended—

3 (1) by striking “(D) EXCEPTION” and all that
4 follows through “(i) IN GENERAL.—The” and insert-
5 ing “(D) EXCEPTION FOR DEFENSE TRADE CO-
6 OPERATION TREATIES.—The”;

7 (2) by striking “(I) The Treaty” and inserting
8 the following:

9 “(i) The Treaty”;

10 (3) by striking “(II) The Treaty” and inserting
11 the following:

12 “(ii) The Treaty”; and

13 (4) by striking clause (ii) at the end.

14 (c) ADVANCE CERTIFICATION.—Paragraph (3) of
15 section 38(j) of the Arms Export Control Act (22 U.S.C.
16 2778(j)) is amended by inserting after “export of defense
17 items” the following: “subject to the requirements of para-
18 graph (1)(A)”.

19 **SEC. 3. MODIFICATIONS OF CIVIL AND CRIMINAL PEN-**
20 **ALTIES UNDER SECTIONS 38 AND 39 OF THE**
21 **ARMS EXPORT CONTROL ACT.**

22 Subsection (c) of section 38 of the Arms Export Con-
23 trol Act (22 U.S.C. 2778(c)) is amended—

24 (1) by striking “\$1,000,000” and inserting
25 “\$5,000,000”; and

1 (2) by striking “20 years” and inserting “25
2 years”.

3 **SEC. 4. EFFECTIVE DATE.**

4 The amendments made by sections 2 and 3 shall take
5 effect on the date that is 180 days after the date of the
6 enactment of this Act.