

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 8649

To amend the Arms Export Control Act to authorize the use of foreign military financing for direct commercial contracts, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2026

Mr. BAUMGARTNER introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To amend the Arms Export Control Act to authorize the use of foreign military financing for direct commercial contracts, 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 “Expanding the Defense  
5 Industrial Base Sales Act”.

6       **SEC. 2. AUTHORIZATION OF FOREIGN MILITARY FINANC-**  
7                               **ING FOR DIRECT COMMERCIAL CONTRACTS.**

8       The Arms Export Control Act (22 U.S.C. 2751 et  
9 seq.) is amended by inserting after section 23 the following  
10 new section:

1 **“SEC. 23A. USE OF FOREIGN MILITARY FINANCING FOR DI-**  
2 **RECT COMMERCIAL CONTRACTS.**

3 “(a) **AUTHORITY.**—Notwithstanding section 23(h),  
4 funds made available to carry out the foreign military fi-  
5 nancing program under this Act may be used to finance  
6 the procurement by any foreign country or international  
7 organization eligible to receive such financing under this  
8 Act of defense articles, defense services, and design and  
9 construction services that are not sold by the United  
10 States Government.

11 “(b) **APPROVAL AND OVERSIGHT.**—The use of for-  
12 eign military financing authorized in subsection (a)  
13 shall—

14 “(1) be approved by the Secretary of State, in  
15 consultation with the Secretary of Defense, prior to  
16 the extension of such authority to any foreign coun-  
17 try or international organization; and

18 “(2) be subject to such terms, conditions, and  
19 limitations as the Secretary of State determines ap-  
20 propriate to advance the foreign policy and national  
21 security interests of the United States.

22 “(c) **IMPLEMENTING REGULATIONS.**—Not later than  
23 180 days after the date of the enactment of this section,  
24 the Secretary of State, in coordination with the Secretary  
25 of Defense, shall prescribe regulations to implement this  
26 section, including regulations relating to, with respect to

1 foreign military financing for direct commercial contracts  
2 authorized in subsection (a)—

3 “(1) procedures for review and approval;

4 “(2) audit, reporting, and financial account-  
5 ability standards;

6 “(3) compliance with end-use monitoring and  
7 export control requirements; and

8 “(4) efforts to encourage participation by non-  
9 traditional defense companies.

10 “(d) RULE OF CONSTRUCTION.—The authority pro-  
11 vided by this section is in addition to, and shall not be  
12 construed to limit or replace, the foreign military sales  
13 program otherwise authorized by this Act.”.

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