

ARTICLE 12

[LICENSING]

1. Neither Party shall impose import licensing requirements on items exported by the other Party, unless licenses issued under such requirements are:
 - a. automatically approved;
 - b. necessary to administer a quantitative ceiling on imports justified under this Agreement or under the GATT insofar as it is not inconsistent with this Agreement; or
 - c. necessary to administer restrictions in conformity with this Agreement or under the GATT insofar as it is not inconsistent with this Agreement.
2. Each Party shall answer within thirty days all reasonable inquiries from the other Party with regard to criteria employed by its respective licensing authorities in granting or denying import licenses. In addition, the Parties recognize the desirability of publication of such criteria.
3. The Parties shall provide each other with a list of items subject to licensing requirements which shall specify whether each item is entitled to automatic or non-automatic import licensing. Notification of changes in this list shall be made on a timely basis and shall include a justification for each addition.
4. If an import license is denied for an item specified in the list prepared pursuant to paragraph 3 as being entitled to automatic licensing, then such item shall be considered to be subject to non-automatic licensing. Notification and justification for the action shall be provided within sixty days by the Party which has made such denial.
5. In the administration of automatic and non-automatic licensing requirements, the Parties shall adhere to the provisions of the Agreement on Import Licensing Procedures. For the purposes of this Agreement the reporting requirements provided in the Agreement on Import Licensing Procedures between the Contracting Parties of said agreement shall only apply to the United States and Israel.

ARTICLE 13

[TRADE-RELATED PERFORMANCE REQUIREMENTS]

Neither Party shall impose, as a condition of establishment, expansion or maintenance of investments by nationals or companies of the other Party, requirements to export any amount of production resulting from such investments or to purchase locally-produced goods and services. Moreover, neither Party shall impose requirements on investors to purchase locally-produced goods and services as a condition for receiving any type of governmental incentives.

ARTICLE 14

[INTELLECTUAL PROPERTY]

The Parties reaffirm their obligations under bilateral and multilateral agreements relating to intellectual property rights, including industrial property rights, in effect between the Parties. Accordingly, nationals and companies of each Party shall continue to be accorded national and most favored nation treatment with respect to obtaining, maintaining and enforcing patents of invention, with respect to obtaining and enforcing copyrights, and with respect to rights in trademarks, service marks, trade names, trade labels, and industrial property of all kinds.

ARTICLE 15

[GOVERNMENT PROCUREMENT]

1. The Parties agree to endeavor to eliminate all restrictions relating to government procurement.
2. The United States shall waive all Buy National restrictions with respect to government agency purchases of a contract value of \$50,000 or more which would be subject to the Agreement on Government Procurement at the time of entry into force of this Agreement but for the threshold provided for in Article I'll) (b) of the Agreement on Government Procurement.

3. Israel shall waive all Buy National restrictions with respect to government agency purchases of a contract value of \$50,000 or more which would be subject to the Agreement on Government Procurement at the time of entry into force of this Agreement but for the threshold provided for in Article I (1)(b) of the Agreement on Government Procurement and by the Ministry of Defense subject to exceptions comparable in character and extent to those included in the United States' entity list of the Agreement on Government Procurement with regard to the Department of Defense.

4. In implementing paragraphs 2 and 3 of this Article the Parties shall apply the provisions of the Agreement on Government Procurement.

5. Israel shall relax offset requirements on purchases by government agencies other than the Ministry of Defense.

6. The provisions of this Article with respect to offset requirements and to purchases by government agencies other than Israel's Ministry of Defense and the United States Department of Defense shall be effective one year from the date of entry into force of this Agreement. The provisions of this Article with respect to purchases by Israel's Ministry of Defense and the United States Department of Defense shall be effective one year from the entry into force of this Agreement or one year from the completion by Israel of a list of the exceptions referred to in paragraph 3, whichever is later.

7. The Parties agree to consider promptly further trade liberalizing measures in regard to both government procurement and offset requirements in the context of the Joint Committee established by this Agreement. In particular it is agreed that should the entity coverage of the Agreement on Government Procurement be expanded, priority consideration will be given to expanding this Agreement to apply to those purchases.

ARTICLE 16

[TRADE IN SERVICES]

The Parties recognize the importance of trade in services and the need to maintain an open system of services exports which would minimize restrictions on the flow of services between the two nations. To this end, the Parties agree to develop means for cooperation on trade in services pursuant to the provisions of a Declaration to be made by the Parties.

ARTICLE 17

[JOINT COMMITTEE]

1. A Joint Committee is hereby established to supervise the proper implementation of this Agreement and to review the trade relationship between the Parties.

2. The functions of the Joint Committee shall include, inter alia:

- a. reviewing the general functioning of this Agreement;
- b. holding consultations with respect to any matter affecting the operation and the interpretation of this Agreement, as provided in Article 18;
- c. reviewing the results of this Agreement, the experience gained during its functioning, and the objectives defined therein, and considering ways of improving trade relations between the Parties, including possible improvements in this Agreement. The adoption of any amendments shall be subject to the domestic legal requirements of both Parties;
- d. reviewing the Declaration on Trade in Services.

3.

a. The Joint Committee shall be composed of representatives of the Parties and shall be headed by the United States Trade Representative and Israel's Minister of Industry and Trade or their designees.

b. The Joint Committee may establish working groups and delegate its powers to them.

4. Each party shall preside in turn over the Joint Committee, which shall convene at least once a year in regular session in order to review the general functioning of the Agreement. Special meetings of the