Israeli Innovation and Defense Tech:
Strengthening Ties and Regional Normalization

April 3, 2025
Featuring Nave Shachar, Eyal Hulata, Ilana Sherrington Hoffman, Seth Spergel
Moderated by Bradley Bowman
Introductory remarks by David Adesnik

Transcript has been edited for clarity

ADESNIK: Welcome, and thank you for joining us for today's event hosted by the Foundation for Defense of Democracies. I'm David Adesnik, vice president of research at FDD. It's Thursday, April 3, and today's panel will discuss how U.S.-Israeli technology partnerships help make the United States safer and contribute to Israel's normalization with the Gulf States. We're pleased to have you here for this conversation, some in person, some tuning in live, some listening to our podcast.

Israel's technology ecosystem plays a pivotal role in strengthening U.S.-Israel relations, particularly collaborative innovations, economic partnerships, and geopolitical ties. These dynamics, notably in defense technology, align with the U.S. national security interests and foster normalization with the Gulf States by enhancing regional stability and economic resilience. Through the lens of innovation, these unique opportunities for collaboration and diplomacy have the potential to reshape regional dynamics and contribute to lasting peace.

Kicking off today's event with keynote remarks is Nave Shachar, the director of innovation diplomacy at Startup Nation Central, a nonprofit organization that strengthens Israel's technology ecosystem by connecting Israeli innovators with global stakeholders. He is a Middle East specialist with nearly a decade of experience in strategic business development and policy work with government agencies for Fortune 500 companies and large businesses in the region.

Following Nave's keynote, we will hear from an expert panel, including, starting all the way to my right, Eyal Hulata. He is a senior international fellow at FDD and the first foreign visiting fellow at FDD Headquarters. And I could just tell you personally, it's been a pleasure to have Eyal here as a colleague, and I look forward to speaking with him every chance I get. From July 2021 to January 2023, Eyal served as Israel's national security advisor and head of Israel's National Security Council, serving under Prime Ministers Naftali Bennett and Yair Lapid. He coordinated the national effort on Iran, the Maritime Border Agreement with Lebanon, and co-led the U.S.-Israel Strategic Consultative Group with his American counterpart, Jake Sullivan.

Two to my right is Ilana Sherrington Hoffman, the director of global partnerships at Startup Nation Central. Prior to her current role, she was the director of operations and strategic partnerships at StandWithUs in Jerusalem, a public relations consultant at Eden Communications and Strategy, and a public relations associate at the Knesset.

Rounding out our panel is Seth Spergel, managing partner of Merlin Ventures, where he is responsible for identifying cutting-edge companies for Merlin to partner with and invest in. He has more than 20 years of experience building, selling, and investing in software and start-ups. Prior to Merlin Ventures, he was VP for infrastructure technologies at In-Q-Tel, a strategic investment firm that invests in start-ups that meet the mission needs of government customers.

Moderating today's discussion and just here to my right is the Senior Director of FDD's Center on Military and Political Power, Bradley Bowman. He has almost nine years of experience in the U.S. Senate, where he served as a national security advisor to members of the Senate Armed Services and Foreign Relations Committees. He served more than 15 years on active duty as a U.S. Army officer, including time as a pilot, company commander, congressional affairs officer on the Army staff in the Pentagon, and staff officer in Afghanistan.

He's also served as a Council on Foreign Relations international affairs fellow, assistant professor at West Point. And I could tell you personally how dedicated he's been over the years to enhancing U.S.-Israel technology cooperation and really underscoring the benefits it brings to both sides, material benefits we can really see and touch and help American troops.

Before I turned to Nave's keynote, a few words about FDD. For more than 20 years, FDD has operated as a fiercely independent, nonpartisan research institute exclusively focused on national security and foreign policy. As a point of pride and principle, we do not accept foreign government funding. For more on our work, please visit our website, FDD.org, follow us on X and Instagram and subscribe to our YouTube channel.

Nave, the floor is yours.

SHACHAR: Thank you, David. Super honored to be here today and speaking to you, and thank you, FDD, for hosting us, making that happen.

Personally, I had the privilege of seeing FDD's work throughout the Middle East, and the importance and the fact of your work is admirable, and we thank you very much for that.

Just for the sake of explaining what our unique lane when connecting the Israel innovation ecosystem with original interest and the US, Startup Nation Central, to tell you who we are and where we come from, so Startup Nation Central is an NGO, nonprofit, nonrevenue organization, fully funded by philanthropy with a mission to connect the Israeli innovation ecosystem to global opportunities. We work with multinationals and global investors to hand-hold them in the process to introduce them to the right platforms of engagement in Israel.

At the time of the Abraham Accords, we established a new pillar of activity which we called “innovation diplomacy,” and the idea is really to be able to look at the ecosystem not just as a goal, but as an asset, and to find the right platforms of economic exchange in the region based on innovation and technology. It allows us to see those countries as our client and ask them: what are your needs in order to achieve your goals in that mission, to find those sweet spots of economic exchange?

I want to share a little bit after post-October 7, which was a very ground-breaking event for Israel, and I think on a global scale. Some of the points that we learned after speaking to different stakeholders in the region – and I think that for some it can be clear, but I find myself more and more communicating these messages, which are, in my mind, very important.

First of all, that now is the time to double down on the relationships. I think that if you take the main aspect of economic growth and security alignment, it's very clear that there is a big alignment. It's much bigger right now, and we should do more on that. Obviously, the complicated circumstances are very dire, but all in all, we can see a positive trend.

We can see it in trade, which is still on rise. We can see it in the strategic investment, even during the war, from even a very sensitive investors like financial institutions. And recently, even a UAE entity invested in one of our defense tech companies, which is leading to a very interesting trend of a positive on some level.

I think that also there is an important thing to say, that even though before the Abraham Accords, that the economic aspect and the geopolitical aspect were not – it was within different silos.

And I think now, after October 7, which in my mind is very positive to think that everything is out there, and now even it – the circumstances are complicated, it can be addressed. And I think that is something to take into consideration.

Last point that I want to make is that we see the Middle East not just important on the geopolitical aspect, it's a destination on a global scale of economic global importance. I just came back from Saudi [Arabia], from FII [Future Investment Initiative]. It's interesting to see those financial giants going to FII not for nothing. It's from capital aspects, population, and this transition of things make it very compelling and creating a lot of business opportunity, which is super important.

I think that for the audience, and it's important to think and for us, it's important to look at how can our partner, our ally, the US, can benefit from this relations.

And the main goal – the main issue of that we see obviously of the spillover of technologies that can go East, I think that those relationship – that first and foremost are important to keep Israel, and the allies, clear on that message. And it's super important to take it as part of the equation.

Examples for that – obviously, the dynamic of being able to take know-how and tech and use it as an infrastructure base in those countries for a better go-to-market strategy. For example, the A.I. value chain. There are parts that are a core technology and talent, and part of the value chain that is also infrastructure on critical resources. And this – our ability to create a value proposition which are sort of like dependent coalitions that can create a joint value proposition is really important.

Also, from a point of view of seeing this continuity of geographic elements and trade, like we saw in the declaration on the G20 for the IMEC, the India-Middle East-Europe Corridor, and the importance it – that we saw at play during the war of being able to transfer and trade from east through Saudi Arabia and then Israel. The importance is critical, and also for U.S. interests.

Last, I want to say, and it would be very interesting to hear our panelists discuss about it – the defense sector that is growing, I think that definitely when we saw the last conflict, we learned a lot from that. There is also the Ukrainian war and the different changes in power of European spending on security.

So, there's a lot of opportunities out there. We need to know how to do it better. And I think that it's important for us to know how to work better with U.S. stakeholders, and this is part of our mission.

I would like to give it to Brad, and I thank you very much for joining this event. I really look forward to hearing the wonderful speaker that we have. And thank you very much. Over to you, Brad.

BOWMAN: Thank you. Thank you so much for the...

(APPLAUSE)

BOWMAN: Thank you so much for the insightful comments. David, thank you for the introduction. Thanks to everyone in the room for braving the cloudy weather to be here, and thanks to everyone for joining online. I'm actually really excited about this conversation.

The essential topic for today is essentially the relevance of economics and technical innovation to security, diplomacy, and regional and international integration. That's essentially what we're talking about. That's a mouthful, it sounds like a lot, but that's the – essentially what we're talking about here.

And my goodness, this is certainly a timely topic. President Trump announced yesterday the administration's new trade policy focused on tariffs, a consequential announcement. Tariffs went into effect at 12:01am last night. It is unclear whether this, to me at least, whether this is a short-term negotiating strategy or an enduring shift in U.S. trade policy.

What is clear to me is that steps in the economic domain have consequences, for good or ill, in the security and diplomatic domains because they're integrated. So, if you do something in one domain, of course it's going to have ramifications in the diplomatic and security domains, and I think it's important to keep that in mind.

So, there are many questions based on that that we all have. And as we all digest the breaking news, that is still breaking as we speak, as we sit here, there's many of these questions we'll need to explore in the coming days. We'll get a little bit more to that later, but I just wanted to start with that.

Eyal, Ilana, and Seth, so excited to have you here. Thank you for being here. Admire each of you and the expertise you bring to this conversation. And as I said already, I'm excited for this conversation.

Eyal, let me start with you, if I may, on the far end there. You've worked on innovation in defense technologies for many, many years. You're a leading Israeli expert on the topic.

And for me, I begin with, perhaps based on my background, on the relevance of these things to servicemembers and giving servicemembers, Americans and our allies like Israel, what they need to accomplish their missions and to come home safely to their families. That's, frankly, where I start.

But I'm also mindful that, as I said in my initial remarks, that there are implications for what we do in defense technologies and innovation to regional integration and economic growth and what that economic growth enables a country, whether it be the US or Israel, to do.

So, at the broadest level – we'll zoom into details here in a moment – how do you view this relationship between innovation, defense, and regional integration?

HULATA: Thanks, Brad. Always good to be on stage here, at home. You know, I think in your opening remarks, there are so many things there having to do with both the relationship between Israel and the United States and also the role of innovation in it.

And I think that from an Israeli perspective, they're really very much into one. The Israeli tech sector – the role model, I think, of the Israeli tech sector is the United States. And everything that – the innovation that is done in Israel, the collaboration that we are seeking on all of the different levels, are always based on this core relationship that we had, and it's very long-lasting. I mean, you know, you mentioned the trade before. Israel has a free trade agreement with the US from whenever and ever. And – but, you know, there are always things that we need to deal with along the way.

When I was national security advisor, we had, of course, various incidents where we needed to address those topics. It was very important for us back then to put as much weight and content into this alliance. We were able to sign a strategic technology collaboration agreement between the administration and us that was very meaningful for all of those issues.

So, this carries a lot of importance in Israel. And, frankly, if we're not able to continue that and to harness it in the future, this will be very difficult for us as an economy.

And if we do and are able to do this, this will have, I think a dramatic positive implications, not only for Israel but for the region as a whole.

BOWMAN: That's great. And Eyal is being humble there, but you Eyal led on the Israeli side, the U.S.-Israel Strategic Consultative Group, which is really focused on U.S.-Israel technology cooperation. And so, you speak with experience on that.

Ilana, let me go to you. I'd love to hear your thoughts, again, just kind of setting the context here before we dive into details: How do you view defense innovation and technology in the context of regional integration and economic growth?

SHERRINGTON HOFFMAN: Yeah, absolutely. First of all, I'll also say thank you so much for having us here. It's been such a pleasure to collaborate with you. We see it, you know, we really value our strategic partnerships. And thank you to everybody for being here today and everyone else who is watching us online.

We mentioned a little bit about Startup Nation Central before, a nonprofit organization strengthening the high-tech sector in Israel. I'm actually here in DC right now because we're leading a delegation of defense tech start-ups. We spent the past few days meeting with the [defense] primes here in DC, which has really sort of strengthened what I'm about to discuss now.

I think that Israel's innovation ecosystem, obviously, is a very strong one. We track that. We have our database, the Startup Nation Finder, which really maps the entire ecosystem of innovation on it. And so we're able to see sort of how we're able to almost punch above our weight when it comes to defense export and some of the technologies that we're able to bring across.

We see that deepening even more, especially in the past year and a half. We're talking about things that have sort of been accelerated within Israel because of local and geopolitical needs.

But when it comes to really looking at the wider picture of, you know, the war on global terrorism and many other security concerns that are definitely occupying the countries around the world at this point, that's when Israel's sort of technological edge, as well as battle-tested technologies, really come into play even more. And this is where collaboration has to be key.

So, I absolutely agree that there needs to be even more strengthened ties right now than ever before. You know, there's ever-changing threats. We see that on the battlefield. There's a reason why there's so many new technologies that have been invented in the past year and a half within Israel. And there are threats that we can see happening in other places as well.

Anything to do with, you know, autonomous robotics, AI, drones. These are things that we wouldn't necessarily say that they've characterized the more traditional wars, and they're coming into play. And even those are changing and becoming even more technologically capable as we go. So, we really need to have an edge in that.

Israel has technology that is being driven out of the battlefield and accelerated quickly. There's a need for it globally. If we were to play this right, we have to work together to make sure that these advanced capabilities are reaching our allies and are reaching the people who are, let's say, on the right side of fighting against global terrorism, and really join forces to make sure that it's getting to the right place.

BOWMAN: That's great. Thank you. Before we jump into additional detail here in a moment on the bilateral relationship, which your comments, I think, serve as an excellent introduction for. I'd love to dive in a little bit more on the Israeli tech sector, just to make sure that all of us understand what you understand, because you've focused on this for so long.

Seth, as the other American here on the panel, let me go to you. From your American perspective, what is your assessment of Israel's innovation and technology sector? When you look at that, what do you see?

SPERGEL: So, I mean, if we just – so I guess I'll caveat that I am less of a defense tech investor and more of a cyber investor, but I think there's very close alignment there. And certainly, my previous role working at In-Q-Tel gives me some view on the defense side as well.

But if I just look at the amount of innovation companies coming out of Israel, right, from a cyber perspective, Israel is a little more than a 10th of one percent of the world population, but I mean, the amount of investment that goes in there around cybersecurity, the amount of companies that come out, right?

If I look at the largest cybersecurity acquisitions worldwide in, '23 is the year I have the numbers for, eight out of 10 of them were Israeli, right? And again, a country that is one-tenth of one percent of the world population.

And I think there are structural reasons for it, right? Like Ilana mentioned, right, there's obviously this crucible of not just the current conflict, but the past 70-plus years of conflict, right, where Israel has always been under threat. And so, everything they do is battle-tested, right? It has to be built right, and it has to work in the real world.

And that gives us some very strong technologists. But also, if I look at how the technology actually comes out of that into the commercial ecosystem, Israel has built up a very strong supply chain of having, at this point, 15, 20 years of experience, turning that innovation into start-ups.

And as the technology – as people come out of [Unit] 8200, their version of the NSA [National Security Agency], right, really the core of where the cyber innovation comes from, they now have an ecosystem of advisors that have previously come out of there that can help them build companies.

They have VCs [Venture Capitalists] like us that focus on the Israeli cyber start-up ecosystem. And they've just built out that flywheel of tools to turn that innovation into actual economic benefit and tools for the world to use.

BOWMAN: That's great. Thank you. Now, I've been looking at this U.S.-Israel defense technology innovation nexus for more than a decade now, starting in my time in the U.S. Senate.

And that's one of the things that struck me pretty early is the Israeli agility and the speed that they have in going from concept or what we call on the Army staff "requirement." What do you need? Requirement. What's your requirement? What do you need? Going from that concept, or requirement, to fielded combat capability so quickly.

And when I look at U.S. defense policy and this axis of aggressors where China, Russia, Iran, and North Korea are working together more closely than ever, this problem that Americans have had for so long where we take so gosh darn long to go from requirement to fielded combat capability. I fear, I worry, I predict we will pay a much higher price than that in the future if we don't go more quickly from, "Hey, we need this," to putting it in the hands of our warfighters.

And when I survey the world, I see Israel as the best, or one of the best, probably the best, in going quickly from requirement to fielded combat capability. So, that's why -- it's cool to be selfish these days in America – as a selfish American perspective, that's why I'm so excited about this because it helps us solve, or begin to solve, or begin to address, one of our core problems is that you can't take a decade to get something in the hands of warfighters, because you're going to pay for that in people that don't return home to their families, and lost limbs, and lost lives, scars seen and unseen. It's just unacceptable. And so, there's more on that later, but that's just, I couldn't resist your great comments, elicted that.

Ilana, let me come back to you. We talked the other day on the phone, and I asked, "Hey, just what's your bottom-line assessment of the Israel's defense technology sector? What's the state of it?"

And based on your amazing work and how has it changed since October 7, and I thought your brief was just awesome. I'd love for you to repeat that again if you would.

SHERRINGTON HOFFMAN: Yeah, I would love to because I think it's fascinating. We know that Israel's always had a very strong defense industry. It makes sense. It's a country that hasn't known a day of peace since the very first day of its establishment. So, we've always had sort of the primes and really sort of, you know, sort of traditional industry.

But what has sort of evolved over the past few years is this turning into a technical, a technological sector – innovative, agile, really full of sort of cutting edge, small companies that are managing to really break through and make an impact on the battlefield.

So, we've seen an influx has always been sort of steady rise when it comes to the defense tech sector. But in 2024, wow, boom, like we really saw just a massive influx of companies. So, some of that is existing defense tech companies that have accelerated their capabilities, which is a huge thing. And it makes sense, like they're using it in the day to day on the multi front war that Israel is still currently engaged in.

And the second part is new companies entering the space, which is, you know, sort of answering the ever-evolving needs. And the last, maybe even more interesting aspect of it is the dual use strategy being expanded.

So, one of the things we're seeing is companies or start-ups that have been in the totally civilian side of things – commercial, have suddenly seen that their technologies with a quick pivot with some kind of an adaptation can become crucial for the battlefield, and then sort of entering into the supply of what Israel has to offer when it comes to defense tech capabilities.

So, that has really evolved into something that is definitely there to be watched. There are certain strengths within the defense tech capabilities. I mean, it's very diverse. There's almost everything that you can think of from, C4I [Command, Control, Communications, Computers, and Intelligence] to unmanned aerial vehicle, space tech.

It all exists, but there are specific areas where Israel really has a more strategic edge, deep tech capabilities. I mentioned also autonomous robotics, AI, drones, and things like that. And so, really accelerating that and finding a way to tap into those and really integrate those into the value chain of defense in the US and otherwise is going to be a very strong thing to see.

BOWMAN: That's great. Excellent.

Seth, did you want to comment on that?

SPERGEL: I have – I don't...

BOWMAN: OK, OK, very good. All right. Let's – yeah, yeah, yeah. OK, very good. Let's shift to more of a focus on the bilateral cooperation between the U.S. and Israel. But before we do that, let me go back to what I flicked at at the beginning there in terms of President Trump's major announcement yesterday and its obvious relevance to the topic we're at here.

Seth, let me begin with you. What do you make of this effort and the announcement?

SPERGEL: Yeah. I mean, I think it's early to see, kind of, where this goes. And like you said, right, we want to see is this a long term or short-term play? What's the end goal?

This is probably less from my current position as a VC that primarily invests in Israel and more from my view as in my previous role at In-Q-Tel, right, where we're much more focused on sort of the U.S. national security interests.

I do think the US has ceded a lot of its core manufacturing capabilities to other countries in ways that potentially puts us in a difficult position if we need that in the future. And so, to the extent that the tariffs are geared towards bringing some of that core capability back to the US in a way that we always have access to it, no matter what, right?

And this is something that historically we've tried to do, right? We've tried to ensure we have some level of manufacturing capability around, for instance, the U.S. government's use of certain products and things like that. But more broadly, we've ceded a lot of the underpinnings to other countries.

So, to that degree, I think if we can bring some of that back, that is very healthy for us. We need to make sure it's done in a way that makes sense. And I think we need to look at what is our relationship with each of those countries, and how close of an ally are they? And how do they respond to the tariffs as well, and adjust appropriately?

BOWMAN: I think that's great. And for my part, I would agree with you that there are certain capabilities, manufacturing and innovation capabilities that as Americans, we need to have.

SPERGEL: Yeah.

BOWMAN: And any country would need to have. And I assume the same for Israel, right?

SPERGEL: I think it's a bipartisan issue.

BOWMAN: You can't outsource your security, right?

SPERGEL: Right.

BOWMAN: And now we can, how you implement that and what that means in terms of specific policies is another thing. But you – the last point there at the end I thought was just so important, is that when we implement these policies, and this is just my opinion statement, it's really important to differentiate between allies and adversaries. And any policy where there is not a distinction between allies and adversaries, like our best ally, I don't know, like in the Middle East, for example...

SPERGEL: Yeah...

BOWMAN: And an adversary maybe, you know, maybe you want to have a little bit more nuance there. And if you have an ally that is being responsive, like in, for example, doing things before the announcement's even made to eliminate what's left of any tariffs, you might want to treat that ally a little bit different than like a major geostrategic enemy, oh, I don't know, like the Chinese Communist Party.

SPERGEL: Right.

BOWMAN: So that, that would be one thought I would have. Eyal, what are your thoughts as an Israeli in terms of the announcement yesterday?

HULATA: Well, you know, I'll be careful about it. Not to remark on the American policy side of things. But from an Israeli perspective, I mean, I know I think we value ourselves as a serious productive ally to the United States.

I think the value of the Israeli economy to the US is clear. You mentioned supply chain. I don't think Israel is part of the supply chain to the US, right? Israel is not a manufacturing country. I think in this regard; the economies are more complimentary than that regard.

So, you know at least from an Israeli perspective, of course we would've wanted that to come into place. And Brad, as you alluded, this, the current Israeli government, I think a day before the announcement, has eliminated the remaining part of the tariffs. Israel has had a free trade agreement with the US for many, many years.

So, I'm not in the weeds. I don't know how they calculated the 17 percent. Israel was penalized seven points more than the basic 10 percent of all of the other countries. So, you know, I'm not exactly understanding how that was calculated. But, you know, I hope it's temporary. I hope it's something that was done for other reasons and means, and I definitely hope that this will not have an effect on the importance of aligning the economies together.

We're in a position where so many of Israeli new efforts are put into things that are of importance to the US. You talked about the defense tech before that, Israel is coming, well, actually, we're not coming out of the war, unfortunately, but Israel is within a year and a half of war in which we were able to test and verify the performance of the best air defense system in the world.

So many of those components are either manufactured here in the United States or were produced or engineered together with the United States. The future of those technologies, like laser beam, is done together with American companies. This entire field, this entire line is based, I think, on a mutual understanding that this is a core need for Israel. But this is also a core need for the United States and for the allies around the world.

And this is just one element. You know, we mentioned the high-tech. Just few weeks ago, Google acquired an Israeli company, Wiz, I have a personal connection to that. Three of the founders were cadets of mine in the Talpiot Program many years ago. Brilliant kids, well, they're not kids anymore, they just became billionaires, right? Selling an Israeli cyber defense company to Google. These are the kind of things we want to see more and more of.

So again, from an Israeli perspective, my hope is that this is not a signal for the future. But on the contrary, this will be something that would allow us to do more and more.

BOWMAN: That's great. So, a U.S.-Israel Free Trade Agreement, going back years, very few tariffs on the Israeli side still in place, relatively speaking. In my understanding, with deference to you, that most of those decisions were implemented even before the announcement to take what was left of those tariffs on the Israeli side and bring them to zero.

And so, do I have that about right?

HULATA: Yeah.

BOWMAN: OK. Very good. OK.

All right, so let's zoom in on, a little bit more you all, on U.S. defense technology cooperation. How – you know, I mean, you've been at this for so long, you bring both current expertise and historical context. What are some major milestones that you've seen in your – in recent years between U.S.-Israel technology cooperation?

HULATA: So, I think the, you know, we – when we look at it, we have like I think major generations. We're hosting Startup Nation Central. Startup Nation Central was built after a brilliant book called *Startup Nation*. Which I think signified a major change in the way the Israel economy has evolved over the last several decades.

Israel was not a tech economy in its foundation. Israel was an agricultural economy, and we did a lot of innovation in that field. And of course, that expanded to the US: California oranges, you know cherry tomatoes. Did you know that cherry tomatoes were invented in Israel?

So I mean, these were the times when we go back to innovation in the '70s or the '80s. I think once Israel transitioned into more tech and high-tech technologies, this really, really boomed, and this is where “start-up nation,” as a concept, has evolved and the brilliant work that is done by Startup Nation Central in harnessing that.

I think what's happening in recent years is that we're, again, in a new generation. As AI comes in it's clearly going to change everything that we know on how development is done. What is the role of software engineers? What is the role of ingenuity? What is the role of production? I'm not sure that on all of these Israel comes positioned properly into some of those issues. Israel is not an industry-based economy, and I think that I'm not sure that innovation and software is going to be enough in the coming years. But this is definitely the thing that Israel needs to think about as we transform into it.

All of the scope of advanced strategic technologies that we're facing at the moment are things that Israel is investing a lot in: quantum computing, advanced energy, renewables and also usages of them. We used to have a – it's not as big as it was before, but SolarEdge is a huge Israeli company that had a large market share in solar supply chain.

So, I think all of those things are the kind of things that Israel needs to think about and the better integration with the US, as I said before.

BOWMAN: Great, thank you. Seth, you've, as you said, you've focused on cyber issues, and you've mentioned In-Q-Tel a couple times.

SPERGEL: Yeah.

BOWMAN: I'm mindful that maybe not everyone in the audience knows what In-Q-Tel is. I first encountered it when I was working for Senator Kelly Ayotte, supporting her work on the Armed Services Committee and came to really admire the organization.

So, if you wouldn't mind, just briefly, what is In-Q-Tel and how is it starting to work with Israel and why?

SPERGEL: So, I guess I should caveat again that I left In-Q-Tel...

BOWMAN: Yeah, yeah.

SPERGEL: ... six years ago so...

BOWMAN: You're not speaking for them.

SPERGEL: Not speaking for them. But it's actually, it is a really new idea. So, in the late '90s, right, the CIA, in particular, realized that a lot of the innovation that historically had been funded by government labs had moved to industry, right?

And if you look at the R&D investment of commercial industry, defense industry, all that right? It just skyrocketed while government investment in that kind of went down. And so, the CIA said, “we're getting left out of a lot of this and we need a way to access it, and the government doesn't know how to work with start-ups, and start-ups don't know how to work with the government. Let's think of a different way of approaching this.”

And so, they brought some folks together to form a VC fund that's not technically part of the government. It's a nonprofit, but that works very closely with the intelligence community and acts as that bridge to invest in start-ups that have relevance to the intelligence community and defense needs and – and many of those – and then invest in those companies and basically bring them in and help them understand how to work with the government and the government understand how to work with them.

Interestingly, a lot of their investments are actually not in explicitly defense oriented technologies, but commercial technologies that can be used by the government, right, and cybersecurity is a huge piece of that. So, you know, some of that is for defensive use within the government itself, right. They have large enterprises. Others, right, like you talked about, dual use applies very heavily to cybersecurity.

BOWMAN: Yeah. Yeah. And you don't currently work there...

SPERGEL: Yes.

BOWMAN: ... you're not speaking for them, but it's your impression they're starting to work with Israel.

SPERGEL: Yeah. So...

BOWMAN: So why is that?

SPERGEL: Yeah, so I'm not saying anything that's not in the press already, right?

BOWMAN: Yeah.

SPERGEL: But they have made some investments in Israel.

BOWMAN: Yeah.

SPERGEL: Recently historically, it's been very hard for the U.S. intelligence community to bring Israeli tech in, right? And it's not even just an Israel statement. They struggle to work with any sort of foreign technology. It's a very much U.S.-centric infrastructure base.

But again, because the Israeli ecosystem has driven so much innovation, right. It just – we would have these discussions when I worked there, right of the IC [intelligence community] needs to figure out how to start to bring that technology in because they're going to get left behind if they don't.

BOWMAN: Yeah.

SPERGEL: And In-Q-Tel, in particular, is now starting to lean in a lot more and look at more of these companies, and has done some investments recently to start to go in and get a better feel for that technology and start to help the U.S. government get access to it, much like they did with U.S. technologies.

BOWMAN: That's great. Ilana, I've asked you about, you know, for your assessment of the Israeli tech sector and how it's evolved since October 7. Would love any thoughts that you want to share on U.S.-Israel defense cooperation? So, I mean, it's two different but related questions. What's going on in Israel? And how are you cooperating with the US? What's your take on that?

SHERRINGTON HOFFMAN: Yeah, absolutely. So, there have always been, for obviously many years now, a lot of collaborations around sort of joint research and development. That's a huge thing getting ahead of, you know, some of these threats that we've mentioned before.

Another thing is, you know, the joint missile systems. So, these are things that are already in place. But I just want to go back to maybe the basics of this. We are fighting the same fight. It's a fight against, you know, global terrorism. And in a way Israel's almost like a sandbox for technologies that have to do with counterterrorism, that have to do with cybersecurity, like you mentioned before. You know, everything is accelerated so quickly and rapidly because of the security concerns that Israel is facing in such a tough neighborhood.

So being able to use that sandbox and then take those best practices, that knowledge, that expertise, and have that benefit, you know, all of the allies. Make this extend obviously to the US, and even beyond that. We described sort of the broader aspect of how this could have an impact maybe on the wider region and our allies in places like the Middle East and even further than that.

This is a huge thing. I think that US can and should play a really strong and crucial mediation position in allowing that and enabling that to happen. To grow and to prosper, to use this momentum and really capitalize on it because this is the time.

BOWMAN: Thank you. Seth, let's drill down on that a little bit. As you know, here as Americans, you know, how do you believe we have benefited from this cooperation...

SPERGEL: Yeah.

BOWMAN: ... with Israel?

SPERGEL: So, look, I mean, obviously there is just the technology coming out of there and how we apply it to defend our own infrastructure.

BOWMAN: Yeah.

SPERGEL: I talked about the fact that, you know, if I look at the cybersecurity ecosystem, even though Israel as a portion of the world population is tiny, the portion of the cybersecurity tools that companies use, the amount of investment going in there and, you know, so you all talked about the exits coming out of there with – with Google's acquisition of Wiz, it's a massive portion of the overall cybersecurity ecosystem.

And so, you know, if you talk to any chief information security officer at a large company, right, they are very aware of the presence Israel has within their infrastructure and the need to rely on those technologies. And most of the leading companies in a lot of the spaces that they look at are going to be Israeli.

That's just from a technical perspective though, right? When I look at the actual economy, there is a massive driver of business coming out of Israel that comes into the U.S. economy as well, right?

So, Stanford did a study last year that they looked at the unicorn – the number of unicorns in the US and where the founders came from. Obviously, number one was the US, number two was India, as you probably guessed, just based on the population. Care to guess who number three was, right? And again, tiny country here, but the drive to start businesses, the understanding of the technology, right?

We see a lot of these companies that are founded in Israel and eventually move to the US, at least with their leadership team, but keep a lot of the innovation and development in Israel. We see others where founders move to the US and start companies, but again, leverage Israeli R&D to develop the technologies really well. That brings a massive amount of money into the U.S. economy.

BOWMAN: Thank you. And just take a little moderator privilege here, if I can. I'll start with this: Eyal, I didn't know that about cherry tomatoes. That's huge.

(LAUGHTER)

BOWMAN: I had cherry tomatoes in my salad last night, so...

HULATA: You see?

BOWMAN: So thank you.

HULATA: You're welcome.

BOWMAN: Thank you.

(LAUGHTER)

BOWMAN: I should have eaten more. I need to eat more vegetables and fruit. Is it a vegetable or a fruit? I don't know. Anyway, I should...

(LAUGHTER)

BOWMAN: OK.

HULATA: Technically, it's a fruit.

BOWMAN: I digress.

HULATA: But we can talk about it later.

BOWMAN: We can talk. We'll talk about it later.

SHERRINGTON HOFFMAN: We can negotiate.

BOWMAN: But you know, I won't run through the full litany, but you know, I've worked these issues for years, and you know, and one of the things you get to do as a congressional staffer is you plan congressional trips for senators abroad, and one of the trips that I planned, a bipartisan trip that I planned for my boss and a couple other Democrats – a couple Democrats – was to Israel, Ukraine, and Afghanistan.

And so there we were in Israel. We were at one of your military bases focused on air and missile defense, an area where we've had extraordinary cooperation and mutual benefit, of course. And there was an American military officer, a colonel there. And I found, during these congressional delegation trips, that often the most insightful conversations were when you got away from the bigwigs and you talked to the colonels, and the majors, and the people who do a lot of the real work.

And I said, “Hey, Colonel, you know, what do you think other senators and Americans back home need to know about this relationship with Israel?” And he didn't even hesitate. And, I mean, this was years ago, I mean, it was, like, a decade ago now. But it just stuck with me, and it always will. He was like, “They need to understand that we get far more than we give in this relationship.”

That's what this American colonel told me, who was an attaché to the Israeli military. And it's like, “wow.” I think I understand that a little bit. And then I proceeded to dig into it, and I found it to be true.

That's not saying we don't do a lot. I mean, you know, foreign military financing, $3.8 billion – all that. But the benefits, both tangible and intangible, have been significant. And my little monologue here will end shortly.

But let me just emphasize, you know, if you look at the Worldwide Threat Assessment testimony that the U.S. intelligence community, just – it was last week, both the written statement and the oral statement, you know, that the director of national intelligence talked about. China, Russia, Iran, and North Korea are working together more than ever.

And this presents extraordinary challenges, in my view, for the United States. I view the threat from China as more significant and serious and concerning than anything we ever saw from the Soviet Union. And then when you add to that this cooperation with these other three adversaries, the senior adversary of Russia, and the junior adversaries, it's clear that our adversaries understand the value of partners. They understand the value, and this cooperation among them is making each of them have more capability, capacity, readiness, resilience in a military domain in their respective ongoing or prospective spheres of aggression.

So, in this moment, when our adversaries understand the value of partners, maybe we shouldn't be taking our allies and partners for granted, because as powerful as we are, as prosperous as we are, you know, arguably, the best military in human history, we need help. We need help.

And so, when I look at this, I look at little anecdotal things like Fuad Shukr – Fuad Shukr, this terrorist who killed – had a role in killing 241 Americans in Lebanon in 1983. The Reward for Justice program put out an award to get after this guy, $5 million. It just sat there. Nothing happened.

Fuad Shukr is no longer with us now. Why is that? It's not because of the Reward for Justice program, as laudable as that is. It's because Israel took him off the battlefield, and I believe Israel took him off the battlefield with the help of an American munition. So, thank you, Israel. Fuad Shukr is never going to kill another American again. So, if that's not tangible, I don't know what is.

And by the way, looking at that impressive Israeli attack on Iran in October – pretty impressive. And you know, Israeli pilots, Israeli tweaks to our systems, full credit; American F-15s, F-16s, F-35s, Israeli pilots coming back and saying, “Hey, American friends and allies, here's what we learned. Here's how – you know?” Wow, that's going to make us more capable if the Islamic Republic of Iran ever decides to make the very foolish decision of sprinting to a nuclear weapons capability.

So, I can go on for three hours, and we could talk about tunnels. And last one – sorry – tunnels. I just – you can tell I believe it, OK? I'm sincere. What Israel did to protect your citizens from Hamas and Hezbollah tunnels coming under the border to try to kill Israeli men, women, and children in their sleep – we came along and said, it was the Combating Terrorism Technical Support Office at the time, now the Irregular Warfare Technical Support Directorate, said, "Wow, that's amazing. We want to help because we want the world's only majority Jewish state to continue to exist, to be able to defend your people against terrorists, who also hate us as much as they hate you. And by the way, I think maybe we could benefit from that technology."

Well, we came along. Someone I know helped write the authorizing language of that. I'm very proud of that. And then what happened? That very same technology that you guys developed, we used on our Southern border to detect drug tunnels and smuggling tunnels that are going to be used by terrorists that are going to come try to kill our men, women, and children in their beds, and we used it to protect our military bases in Syria against ISIS. So, if that's not – you know...

So, I use that – this all sounds kind of like vacuous talking points. Sorry, sports fans. There's real meat behind this, and that's the truth. So anyway, sorry. Monologue over. Sorry. OK, all right.

So let – Eyal, notice how I word this. What more can Israel do to help the United States?

HULATA: Well, let me say two things. First of all, I think it's very important and very happy, Brad, for you specifically, and I know where you're coming from to give this recognition of the Israeli contribution already, and I think, you know, it's hard, it's always hard because as Israelis, most of us, I think all of us, especially those who are embedded in this for so many years, we don't look at it as a transactional issue, right?

When Israel starts looking at this as a transactional issue, it will not be good. We do this because the United States is the only strategic partner Israel has had, full stop. That's it. We cannot hedge. We'll never hedge. That's it. We are on your camp.

I worked with the IC for many, many years. I've had my share of seeing how difficult sometimes it is to integrate with Israel for various trust reasons and others. But I also had the opportunity to see how good we are when we work together in full integration, right? This is not the forum to share stories of secret joint operations, but when we work together, I think it's unlike anything we've seen. And you know, I've had officers come to me and say, we don't do this with anyone else, only with you guys. And I think that's important.

Now Brad, to your question, I want more of that, right? I mean, I think the question for – from an Israeli standpoint is, "What should we do to be able to have our innovation, great breakthroughs that will open new fronts and new places that are not there at the moment, and keep it within this hemisphere, keep it within this partnership?"

This is the challenge; I think from an Israeli. What we're able to do in cyber defense, what we're able to do in air defense. How can we do this in other fields where we can use our advantage as being creative to cut the edges sometimes, right? To navigate quickly, because we'll never be able to supply the industrial-based needs, because we're just – we're not like that. This is not that kind of economy.

This is the question we have, and there are various frontiers in this regard. I mentioned quantum computing before. I think the energy field is going to have to be revolutionized, and there is a lot of room for Israeli work. I would like to see more Israeli deep tech, right?

Startup Nation Central, I think we have enough software. How about some more real science-based innovation in Israel, across the spectrum? I think once we're able to do that, we'll contribute more, because we'll innovate, and this will be adopted here, and then scaled here, and this will enhance the connection between them. This is what I hope to see in the coming decade, and then the decade afterwards, and the decade afterwards.

BOWMAN: Thank you. What a great segue to where I wanted to go next, as I'm eyeing the clock, and I'm going to go to the audience for questions shortly, so get your questions ready.

Here at FDD, our culture is to not just admire the problem. We always want to, yes, understand the headache, but then also be very specific as possible about the aspirin for the headache, and what the heck are we going to do about it?

So, let me go to each of you. We'll start with you, Ilana. So, if someone's listening, say, OK, I get it. OK, common adversaries between the US and Israel. Israel is not a defense industrial superpower, but it's a defense technology superpower, I would say. A mutually beneficial relationship, some common challenges and opportunities. OK, great. I'm convinced.

What the heck do we specifically do to take this to the next level? What kind of policy prescriptions would, on the Israeli side – not recommending what the U.S. government do, but on the Israeli side – would you recommend?

SHERRINGTON HOFFMAN: Definitely. So, I mean, within the next upcoming MOU [Memorandum of Understanding] of defense between the US and Israel, I'm hoping to see a double down on, you know, a big focus on defense technology as a central aspect of that MOU and of that relationship between the US and Israel.

And I'd like to see much more funding for, as I said, the existing infrastructure of joint research and development, and these joint defense systems that we already have in place. Like, we really need to double down on that, as well as I mentioned before, I'm hoping to see much more of a wider and broader aspect.

You mentioned the partnerships. Let's take those partnerships, strengthen them, and be wise about it, because if we all do it sort of on our own in silos, it's going to be pretty limited to what we can achieve. If we do it together, it's not only going to be an additive sort of quality, but it'd be bigger than the sum of the parts, and that's a very strong thing.

So, I really hope that, you know, we can, with a very proactive approach, see how we can put things in place to enable these partnerships, to smooth over these partnerships. It's such a natural relationship of, you know, joint co-development and design partners, and that's what's needed to make technology so successful. So, I really hope we capitalize on that and make it happen.

BOWMAN: Thank you. Seth, from an American perspective, what specific policy recommendations would you put on the table?

SPERGEL: Yeah. I mean, I think part of it is doing a better job to bring earlier stage technology into the U.S. government side of things, right? And it's certainly doable, but it's hard. And a lot of the programs that have been put in place by the DOD specifically to help encourage more early stage, really innovative stuff to come in are very geared towards the US for economic reasons, but it cuts off the route to some very powerful Israeli technologies and other technologies.

So, kind of reevaluating how we look at things like SPRS [Supplier Performance Risk System] and things like that that give an easier procurement path for companies that aren't in a position to really figure out the overall U.S. government procurement strategy, as well as just rethinking how the U.S. Intelligence Community can work more easily with foreign technology that really pushes the boundary forward would be my wish list.

BOWMAN: That's good, thank you.

Eyal, what would you recommend for Israel as a specific policy recommendation going forward?

HULATA: Well, I would want to see Israel return to those core understandings of how harnessing innovation and science in a more, I will say, stable environment can result in good things.

When Israel now is in crisis and Israel has suffered the most difficult trauma, we have seen our conscription a year and a half ago. I think the focus in the future years will be to do a lot of rebuilding from within society and within the economy.

Our economy has been doing OK, but so much of our innovators have been serving for hundreds of days in reserves, including some people in the audience that have been doing this.

You know, the Israeli economy cannot boom the way it can when we're in this situation. So, hopefully we're able to bring this to a close and to address the future threats that are there. And then to put all of the needed investment, mental investment, and also resource investment into booming our economy to the future. This is very important for the Israeli future.

BOWMAN: Thank you, that's great. My nominee, no one asked, but I'll ask myself and moderator privileges again. My nominee is to hold the U.S.-Israel Operations Technology Working Group accountable for additional amazing results.

And you're saying, what the heck is that? I've never heard of it. Authorized in Section 1299M of the Fiscal Year 2021 National Defense Authorization Act, the U.S.-Israel Operations Technology Working Group consists of six sub-working groups. Did you know this? AI and autonomy, directed energy, counter-UAS [Unmanned Aircraft Systems], biotechnology, networks, and hypersonics.

Led previously by Heidi Shyu in the previous administration, Danny Gold on the Israeli side. There it is. I understand there will be an additional full meeting coming later this fall. That will help do several things.

Here's what it'll do for Israel. It's going to stretch your finite, and I would say not large enough, defense budget further by allowing you to benefit from American economy of scale. When we get together upfront on science and technology, research, development, tests, and evaluation, then you guys benefit from the fact that we're going to be buying 600 of the widgets instead of 60, thereby stretching your budget further.

And then we Americans, as I said earlier, are going to benefit from your agility. You all are going to help us get our stuff in the hands of our warfighters sooner. So, it's going to be a similar or same technology. You guys might use it in Iran or Syria. We might use it in the Baltics or the Taiwan Strait, but in many cases it's the same technology.

So, it's like, “Oh, don't you know we work together in Iron Dome?” No, no, that's not what we're talking about. We're talking about getting up together up front, sharing the burdens, the challenges, and opportunities together up front, fielding it simultaneously to both countries so that each of us is more capable where we need to be fighting to defend our people and our core interests. And when we operate together, we'll be more effective.

You get our economy of scale; we get your agility. Win-win all around. So, you don't have to invent something new here, sports fans. It already exists. Hold it accountable for continued amazing results. My humble but always accurate opinion. OK? Alright.

(LAUGHTER)

BOWMAN: So, let's finish with this. So, you know, we had the Abraham Accords, right, which I would say was probably the leading foreign policy, a leading or the leading foreign policy accomplishment, in the first Trump term. There's an opportunity in the future to maybe expand on that.

I would say that would be in Israel's interest, America's interest, it would be in the region's interest, it would be the interest of our Arab partners, and it would be a nightmare scenario for the Islamic Republic of Iran, which makes me love it all the more.

So, any going out comments on everything we've been talking about, how does this play into the possibility for greater regional integration? And possibly, and eventually, easier said than done, I get it – expansion of the Abraham Accords. Eyal, then Ilana, and then we'll be done.

HULATA: Well, just briefly. I mean, I think many of the things that we spoke here, of course, are at the core of the capabilities of the U.S. sector and the Israeli sector. But there's a lot of things that can be harnessed on the region, not only resources.

These countries, the Gulf countries, other countries in the region, want to revolutionize their sector out of fossil fuel economies into high-tech economies. They're right there, very close to us. Some of them can be wonderful places to test new technologies, but also to invest in new technologies and to use new technologies. And I would love to see this collaboration become a regional collaboration.

As you said, it has a lot of strategic positive implications, not only in Iran, I think on radicalism in general. And just to give the right message that this can be done collaboratively well, would be a beautiful dream to fulfill.

BOWMAN: Ilana, what would you add to that?

SHERRINGTON HOFFMAN: Yeah, absolutely. So, another core pillar of what we do at Startup Nation Central is called sort of innovation diplomacy. Nave, my dear colleague who spoke before me, and also joined by Aviva [Steinberger] here in the audience, part of the aspect that they're pioneering within Startup Nation Central is, how do we take these Abraham Accords and potential strong ties and relationships between Israel and these new allies, new countries, and strengthen them?

And there's many ways to go about it. But one of the things that we're really seeing as contributing so strongly is it's facing shared challenges through innovation. So, I think that apart from the fact that we need this just in our, as I said, crucial fight against global terrorism.

I also think there's an added benefit to this technology export and these ties around innovation. And that is take the Abraham Accords and bring it even to a more deep level of strengthening the ties between Israel and these countries with the Abraham Accords, and potentially beyond that, of course, with the support and facilitation of the United States.

BOWMAN: All right, I'm eager to invite you all into the conversation now. So, if you have a question, if you could raise your hand and wait for the microphone to come to you and give us your name and affiliation, and we'll go from there. Right here, yes?

COHEN: Hi, I'm with the Israeli Embassy Trade Mission. I have a question for you guys. What about a BIRD-style [Israel-U.S. Binational Industrial Research and Development] program, but specifically for defense tech?

BOWMAN: OK. Ilana?

SHERRINGTON HOFFMAN: Yeah, I can say that. I think that BIRD is quite significant, and we have a lot of, you know, close ties with them. It's been very beneficial. Yes, let's do more of that.

I think in general, streamlining the tech export and the relationships between the US and Israel is going to be very, very important. There's still too many, let's say – I'm not sure how to phrase this properly – but complexity and bumps on the road in this sort of path to the tech export and relationships.

So, if we can smooth that over even more with things like that, that would really incentivize these relationships, I think. Absolutely, let's do it.

HULATA: If I can just add to that, of course, I think more programs will be important. I think BIRD, specifically, is just too small. I think BIRD has – has been able...

COHEN: (Inaudible)

HULATA: I agree. But I – and I think it's important for the joint economies not to do just defense tech. I completely agree. And this is not to contradict what you were saying. I would love to see more investment and joint work in defense tech. I would want to see BIRD 10 times bigger. I would want to see, you know, more investment in also non-tech technologies.

I think from an Israeli perspective, it will be a good challenge. You will actually be forcing our government to invest more in R&D when you do that because the matching will have to be there. But I think it is very beneficial.

SPERGEL: But I think also the BIRD structure, in particular, is well-suited to defense tech, where you have, you know, a U.S. entity working with another country's entity. That – that sort of prime and sub relationship tends to work well in...

HULATA: Yeah.

SPERGEL: ... this kind of space.

BOWMAN: Yeah, that's great. And just obviously, as we all know, both, sir, your question, and everyone on the panel, I mean, there's a lot of – there's a dual-use element here as well. So, we need to understand that these things can often be integrated.

And I would just add this, that it's my sense that the Trump administration has the motivation and the capability to really go back and look at some fundamental things and try to undertake some big reforms, in terms of – obviously I bring a defense focus -- on U.S. security assistance broadly defined. And that could include civilian [dual-use] elements of technology transfers.

And I'm mindful of what we did with AUKUS, right, the agreement that we did with Australia and the UK, where there were two major tiers [or pillars], and one of those tiers was related to technology, not just the submarine element, but you have the other tier focused on technology.

And the idea of shifting the default for some allies and partners with whom we have particularly shared interests and opportunities from “no” to “yes,” and shifting the burden of proof to why – for these – this subset, why wouldn't we work together on that rather than having the default be a “no?” Maybe there's some opportunities to look at best practices from AUKUS and apply those potentially when it makes sense to Israel.

Other questions? Yeah? Oh, yes, in the back? Please, ma'am.

BEN DAVID HULATA: Hi. I'm Adi, Eyal’s wife. I'm just a worried Israeli citizen. I would like to ask – I would like to suggest that media and images is also a battleground – and we've talked a lot about the technological superpowers of Israel. And I would like to ask; how would you explain the gap between all of Israel's – those superpowers to deal with the – in the battle between this and the lack of ability of Israel to deal with her image in the eyes of the world, even here in the United States, having all of those technological abilities? Thank you.

BOWMAN: Israeli friends, how would you answer that?

HULATA: Well, I think this raises a – and thank you, Adi–

(LAUGHTER)

HULATA: This raises a critical issue. I mean, we haven't talked about how advanced technologies, and what this is doing to our societies. We haven't talked about the deep problems of fake – of misinformation and of targeted campaigns in changing minds.

And you're right. I mean, we live here in the US. We have an opportunity to be exposed to how Israel looks from the outside. It's bad, it's bad. I mean, these kinds of conversations are not the major or the more open thing.

When people in this country talk about Israel and Israel's contribution, maybe later they will come to technology, but at least in the last year and a half, they're talking about the – either the images coming out of the war zones or just in general manipulations, very deep manipulations of Israel's society and core values.

And that is a problem. It's a problem for Israel. I think it's a problem for the US. Again, I'm in no position to propose policy, but I think that it's a problem of the entire Western world. I think we're being hacked socially and technologically by adversaries who use our technologies against us in ways that keep us defenseless.

And I would love to see this being one of the joint core pillars of collaboration, because indeed this is a joint problem and it's hard, very hard to tackle.

SHERRINGTON HOFFMAN: And just a quick addition, I'd also say, I'm not a media expert, but I can say, just from someone who consumes media, media tends to try to keep things interesting, and the focus is always, or is usually going to be, on the negative. And it's very easy to get negative images. War is not pretty. And when, you know, when you look at that kind of thing that's being streamlined, you are seeing a lot of the collateral damage and, you know, the awful side of things.

But if you go back to the basics and you look at, you know, what is Israel targeting, and its targeting terrorists. We spoke about, you know, the elimination of a mass terrorist, a mass murderer. That's not the only thing that Israel has managed to achieve in the past year and a half that has been beneficial for security, both for the Israeli people but also for the region. That's a strong thing. And it – I agree, it's not a focus, a strong enough focus in the media.

Hopefully, we will continue to consume media critically, because you should. And then maybe we can get a broader perspective, as well as speaking to people who have sort of been there and can tell you from a more personal insight.

BOWMAN: Ma'am, thank you for the question. I think that's one of the most insightful questions that you can ask because, really, you can imagine a scenario where the U.S.-Israel defense technology cooperation is everything we want it to be, but if opinion in the region and opinion around the world is not– is different or eroded, then you can still lose.

And we know that the adversaries of Israel and the United States are engaging an information war campaign to try to divide the US and Israel, because they understand that American support for Israel is very important. And if they can change public opinion here in the United States, they hope to divide what Islamist terrorists call the "unholy alliance" between the United States and Israel.

And what we're witnessing, from my perspective, on American college campuses, is a manifestation of this Islamist terrorist information war that is trying to deceive Americans about our interests in the Middle East and our relationship with Israel and the right of the world's only majority Jewish state to continue to exist and to defend itself following the horrors of October 7.

And so yes, let's push – focus on technology and let's also focus on the fact that we are under attack currently in the information domain, and if we're solely defensive and we don't go on the offense, we will lose. That's – and by the way, we've published a monograph on this called *Cognitive Combat* that is in the lobby for you to grab on the way out.

All right – all right, excellent. One last question? Yes?

PEREZ: Hi. My name's Nick. I'm a member of the [FDD's] National Security Network. Really would love to hear your – all of your perspectives on this, but what is China's current role in the Israeli innovation ecosystem? And how do you see that evolving?

BOWMAN: Thank you. All right, the C-word. Ilana?

SHERRINGTON HOFFMAN: Yeah. I'm taking one for the team. So yeah, China, its complex, but I would venture and say it's quite minimal. The reason for that is because, again, we're aligned with the U.S. values, we're aligned with U.S. interests, especially when it comes to the defense sector.

There are things that are regulating this to make sure that there is no, you know, concern on that kind of an area. It's not to say that it doesn't exist at all in the more commercial side of things, but it's definitely very, very minimal.

I would say most of the private investment and collaborations that are going into the Israeli ecosystem are still predominantly US, though we are seeing diversification, seeing much more with Asia, with Europe, but still the strongest tech export relationship is with the US.

BOWMAN: Eyal, you want to say anything on that?

HULATA: Just, I mean, to emphasize this, I mean, you know, when we say most, someone can think, "OK, so maybe it's about 50 percent." No, it's about 90 percent. There is very little Chinese involvement in the Israeli tech sector.

And this is not just because it's the, I mean, there is little regulation or government regulation on this, because we don't need this regulation, because the innovators themselves know that if they want to flourish and to succeed, they need to look westwards rather than eastwards. And that is very important.

I played a role as national security advisor to strengthen the things that we did need to strengthen in regulation, vis-a-vis, China, mainly on investment in national infrastructure and things along that sort. And I think we did very well on this.

But this will always be an open question. I hope that the dialogue between the current government and the administration on this is sincere and open to understand exactly what are the things that need to be tackled. It's always be a part of it.

The more the US is worried about Chinese involvement, and I think the US is very worried about it, sometimes it's easy to point the fingers on partners and say, "Well, you know, you're not doing enough, you're not doing enough." A lot of it has to do with the local anxiety of Chinese and I can understand why, right? Living here I can see it all in all. But Israel is on your side and will always be.

SPERGEL: And I'll just add that when we're looking at start-ups, you know, we're investing in the earliest stages, but they are cognizant of who is on their investment, you know, who is on their cap table. Because, again, if you look at the background of most of these founders, they're coming out of – well, they're all coming out of the Israeli military.

And so, a lot of them really think about, "how can I eventually sell to the U.S. government as well?" And they recognize that that's going to be an issue. So even without the laws, like you all were saying, like, I think there is a recognition that it's best to avoid.

BOWMAN: Thank you. Thank you for the question. I'm actually glad that we're ending on that question. As we move to conclude here in a moment – in these partisan days in Washington, sometimes Republicans and Democrats can't agree that the sky is blue. But one thing where there is a relative consensus, I would say, is that, at least within the 40-yard lines, if not more broadly, is that China is the number one threat we confront as Americans.

And, I think Americans, generally speaking, certainly among national security centrists, we assess third countries often, perhaps unfairly at times, solely through our assessment of whether they're with us or against us on China.

And I think a lot of the talking points you hear in Washington regarding Israel and China are talking off incorrect or outdated talking points from decades ago. And they don't understand what you all understand is that: Israelis understand the American perspective on China.

And they understand that if technology, American technology, that is shared with Israel ever found its way to China, that would be a major problem. And that's why you guys, in my sense, Israelis have taken this so seriously, and they're doing everything they can to stay. Anyway, so let me conclude with that. And thank you all for joining us. Thanks for the panel, for the great conversation. I could have gone another two or three hours. I really enjoyed that. But thank you.

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Thank you.

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