Sixty-eighth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Senator Magrum

A BILL for an Act to amend and reenact section 47-01-09 of the North Dakota Century Code, relating to public or private ownership of property and the prohibition of foreign ownership; to provide a penalty; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 47-01-09 of the North Dakota Century Code is amended and reenacted as follows:

47-01-09. Public or private ownership - All property subject to - Foreign ownership prohibited. (Effective through July 31, 2025)

1. All property in this state has an owner, whether that owner is the United States or the state, and the property public, or the owner an individual, and the property private. The state also may hold property as a private proprietor.
2. Notwithstanding any other provision of law, the following governments or entities may not purchase or otherwise acquire title to real property in this state after ~~July 31, 2023~~the effective date of this Act:
   a. A foreign adversary.
   b. A foreign business entity with a principal executive office located in a country that is identified as a foreign adversary.
   c. A foreign business entity in which a foreign adversary owns~~:~~
      ~~(1) More than fifty percent of the total controlling interests or total ownership interests, as defined under section 10-19.1-01, in the foreign business entity, unless the foreign business entity was operating lawfully in the United States on August 1, 2023; or~~
      ~~(2) Fifty percent or less of the total controlling interests or total~~ ownership interests, as defined under section 10-19.1-01, in the foreign business

entity, if the foreign adversary directs the business operations and affairs of the foreign business entity without the requirement of consent of any nonforeign adversary~~, unless the foreign business entity was operating lawfully in the United States on August 1, 2023~~.

3. ~~When requested by a city council or commission, county commission, or title agent or company, the attorney general shall complete a civil review, to the extent allowable by law, relating to the qualifications of any foreign adversary business entity acquiring real property under subdivision c of subsection 2.~~

~~4.~~ This section does not apply to an entity possessing an interest in real property under subsection 2 if the entity:

a. Is a duly registered business and has maintained a status of good standing with the secretary of state for seven years or longer before August 1, 2023;

b. Has been approved by the committee on foreign investment in the United States; and

c. Maintains an active national security agreement with the federal government.

4. A person that owns land under this section shall make a required foreign disclosure if:

a. The person owning land is comprised of another individual that is domiciled outside the United States; and

b. The person owning land has a controlling interest or ownership interest in the person making the required foreign disclosure.

5. A ~~foreign government or foreign business entity~~person subject to and in violation of this section shall divest itself of all real property in this state within thirty-six months after August 1, 2023.

6. If a ~~foreign government or foreign business entity~~person subject to this section fails to divest itself of all real property in this state within the period specified under subsection ~~4~~5, the state's attorney of the county in which the majority of the real property is situated may issue subpoenas to compel witnesses to appear to provide testimony or produce records.

7. Upon receiving testimony and records, if the state's attorney concludes a ~~foreign government or foreign business entity~~person, in violation of this section, has failed to divest ownership of real property as required under this section, the state's attorney

shall commence an action in the district court of the county in which the majority of the real property is situated. Once the action is commenced, the state's attorney shall file a notice pursuant to section 28-05-07 with the recorder of each county where the real property subject to the action is situated. If the court finds divestment of real property under this section is proper, the district court shall enter an order consistent with its findings. As part of the order, the court shall cancel the notice pursuant to section 28-05-08.

8. Pursuant to an order for divestment, a ~~foreign government or foreign business entity~~person subject to an order shall divest all real property within six months from the date of the final entry of judgment. A ~~foreign government or foreign business entity~~person that fails to comply with the court's order is subject to a civil penalty not to exceed twenty-five thousand dollars.

9. Any real property not divested within the period prescribed by law may be sold at a public sale in the manner provided under chapter 32-19 through an action brought by the state's attorney. A title to real property or encumbrance on the real property may not be deemed invalid by an order of divestiture under this section.

10. A person that is not subject to this section may not be required to:

    a. Determine whether another person is subject to this section; or

    b. Inquire if another person is subject to this section.

11. For purposes of this section~~, "foreign~~:

    a. "Foreign adversary" means an individual or a government identified as a foreign adversary in 15 CFR 7.4(a) or a person identified on the office of foreign assets control sanctions list.

    b. "Required foreign disclosure" means a filing with the secretary of state which provides:

        (1) The name of the person that has an ownership interest in a person owning land;

        (2) The address of the person that has an ownership interest in a person owning land;

        (3) The total amount of interest a person domiciled outside the United States holds in another person that owns property under this section.

Public or private ownership - All property subject to. (Effective after July 31, 2025)

All property in this state has an owner, whether that owner is the United States or the state, and the property public, or the owner an individual, and the property private. The state also may hold property as a private proprietor.

SECTION 2. EFFECTIVE DATE. This Act becomes effective immediately upon its filing with the secretary of state.

Legislative Assembly

North Dakota Senate

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

Senator Jeffery J. Magrum
District 8
P.O. Box 467
Hazelton, ND 58544-0467
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jmagrum@ndlegis.gov

COMMITTEES:
Finance and Taxation
Energy and Natural Resources

Good morning, Chairman Lefor and committee members.

For the record I am Jeff Magrum, Senator for the great district 8 which is all of Emmons County a large part of Burleigh County and a sliver of McLean County.

I want to thank you for the opportunity to consider issues that have come up since session ended in April. The goal of 23.1176.01000 is to strengthen and address deficiencies in the new law.

Section one, subsection 2-c. eliminates the ability of a foreign adversary to own any real property in North Dakota.

Section 1, subsection 3 removes the responsibility of political subs to request an investigation by the Attorney General.

Section 1, subsection 4 will require disclosure of foreign investors.

Section 1, subsection 8 has language changes from foreign governments or foreign business entity to person.

Section 1, subsection 11 has some direction on disclosures and which agency is in charge as well as definitions.

You may be wondering what the hurry is to address this law so quickly?

I refer to Emmons Counties request for investigation of the owners of Summit Carbon Solutions.

The Attorney Generals response. Drew Wrigley told me the law is deficient and doesn't do what we as a legislature wanted to accomplish.

I have sat through many hours of hearings since session and more information keeps coming out. Considering the current political climate, it is prudent to tackle this issue while we have the opportunity.

Recently Arkansas has stepped up and passed legislation prohibiting foreign land ownership in their state.

Our Governor recently commented that we are in a cold war with China as reported by politico. The Governor said on KX news as recent as August 23 ,2023 "Of course China is our number one concern."

August 31,2023 Senator Cramer is quoted to say that "the CCP is the greatest threat to America's security today." As reported by Kevin Cramer U.S. Senator for North Dakota. cramer.senate.gov

Our own FBI Director Chris Wray warned about the threat from the Chines Communist government pushing a whole of state effort to become the world's only superpower. Reported on China Conquest on BEK TV. The first

two episodes reveal a lot of information each clip is relatively short and there are 26 of the excellent investigative reporting.

Mike Pompeo, former Secretary of State and Former CIA director was reported by Sky News on Feb. 03, 2023, to have said that China's president XI is a bigger threat to the world than Vladimir Putin.

We are being warned continually by many in higher office that have access to classified information.

Foreign adversaries are coming into America as multi-national companies using our tax credits for profit. We are technically sponsoring the invasion.

Would you be ok with Russia owning real property in ND? How about Iran? The United States government has identified 6 foreign adversaries including China, Russia, Iran, Cuba, Venezuela and North Korea. Which foreign adversary would you be comfortable owning real property in your back yard? I ask for your vote to move this bill forward so we can keep this discussion going and I stand for questions. Mr. Chairman.

EMMONS COUNTY

Office of the State's Attorney
PO BOX 658
100 4th STREET NE
LINTON, ND 58552
Phone 701-254-4948/ Fax 701-254-4943
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August 1, 2023

Office of the Attorney General
600 East Boulevard Avenue, Department 125
Bismarck, ND 58505-0040
ndag@nd.gov

RE: 2023 House Bill 1135 & 2023 Senate Bill 2371

Dear Attorney General Wrigley:

On behalf of the Emmons County Board of Commissioners, I respectfully request an investigation regarding the investors in the Summit Carbon Solutions carbon dioxide pipeline for potential violations of 2023 House Bill 1135 and Senate Bill 2371. Please feel free to contact my office with any questions.

Sincerely,

Joseph M. Hanson
Emmons County State's Attorney

Erin Magrum, Chairman
Emmons County Commission

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
www.attorneygeneral.nd.gov
(701) 328-2210

Drew H. Wrigley
ATTORNEY GENERAL

September 13, 2023

Brian Bitner, Vice-Chair
Burleigh County Commissioner
514 E. Thayer Ave.
Bismarck, ND 58506-4413

Erin Magrum, Chair
Emmons County Commissioner
100 N.W. 4th St.
Linton, ND 58552

Rowland Ehlert, Chair
Richland County Commissioner
418 2nd Ave N
Wahpeton, ND 58075

Dear County Commissioners:

I received your recent requests for this office to conduct a civil review of Summit Carbon Solutions, LLC ("Summit") pursuant to N.D.C.C. § 47-01-09. The requests arose from Summit's application to the North Dakota Public Service Commission for a permit for a carbon dioxide pipeline. The Public Service Commission rejected the permit application on July 28, 2023. This office confirmed with Emmons County State's Attorney, Mr. Joe Hanson, that the rejection of the permit application rendered the Emmons County request for a civil review moot. To the extent any of your requests remain active, this office analyzed the information you provided and the relevant statutes.

The Legislative Assembly amended N.D.C.C. § 47-01-09 significantly during the 2023 legislative session. The amendments became effective on August 1, 2023, and provided new restrictions on the purchase and ownership of real property in North Dakota. The law now prohibits land purchases by (1) a foreign adversary, (2) a foreign business with a principal

executive office located in a country that is a foreign adversary, (3) a foreign business entity in which a foreign adversary owns more than 50 percent of the total controlling interests, or (4) a foreign business entity in which a foreign adversary owns 50 percent or less of the total controlling interests but directs the business entity's operations and affairs. Notably, the Legislative Assembly explicitly exempted certain foreign business entities from the reach of the amended statute, carving out businesses that were "operating lawfully in the United States on August 1, 2023" from prohibited categories (3) and (4). Accordingly, those businesses are not barred from purchasing property under those provisions and no ownership determination is legally appropriate.

N.D.C.C. § 47-01-09 also authorizes a city council or commission, county commission, or title agent to ask this office to conduct a civil review regarding a foreign adversary business entity that falls within prohibited category (3) or (4). For this office to conduct the civil review you requested, Summit would have to fit the legislative criteria for either of those categories. However, Summit was operating in the United States on August 1, 2023, and this office has neither received nor found any information indicating its operation was unlawful. As a result, pursuant to the clear legislative language in N.D.C.C. § 47-01-09, this office is unable to conduct a civil review of the company.

Sincerely,

Drew H. Wrigley
Attorney General

SUMMIT CARBON SOLUTIONS, LLC

INVESTOR LIST

Investor	Website
Continental Resources, Inc	https://www.clr.com
TPG Rise Climate	https://therisefund.com/tpgriseclimate
Summit Agricultural Group	https://www.summitag.com
SK Group	https://www.sk-perspectives.com
Tiger Infrastructure Partners	https://www.tigerinfrastructure.com

AMERICAN ACCOUNTABILITY FOUNDATION

RESEARCH MEMORANDUM

To: Congressional and Administration Staff
From: Tom Jones, American Accountability Foundation
Date: May 23, 2023
Re: Climate Change CO2 Pipeline Tax Credit Should be a Pay-For in the Debt Limit Negotiations.

Over the next two weeks, Congress and the administration will need to come together on a budget deal. An integral part of the savings realized in that deal should be prohibiting use of the 45Q & 45Z carbon tax credits for the carbon pipelines in the Midwest. The reasons to jettison the pipeline and its tax credits are numerous.

- The pipelines are wildly unpopular, with over three quarters of Iowans opposing the pipeline.
- The pipeline companies will use the power of eminent domain to run their pipelines through family farm. This will destroy family farms all across the Midwest. Farms that have been in families for 100 years will be divided by unwanted pipelines, destroying rural communities, and damaging profitable farmland.
- The projects cannot stand on their own merit, they only keep getting protected because their chief booster, Bruce Rastetter, uses his campaign donations to curry favor with the Members of Congress protecting it. Just two weeks before the last fight on this issue he was handing checks to Members of the Iowa Delegation.
- There are serious national security concerns arising from Bruce Rastetter being in a business partnership to operate an ethanol plant with a Chinese firm that is financed by the China Development Bank, and arm of the Chinese Communist Party.
- Rastetter will profit greatly from the 45Q & 45Z tax credits which will help subsidize his foreign investments in Brazil.
- The most activist part of the financial sector, the ESG movement, is deeply involved in the projects with leading ESG firm BlackRock underwriting one of the three pipelines.
- These pipelines empower interest groups that hate fossil fuels. The pipeline advocates want to decarbonize America and are going to profit off of selling "low-carbon" ethanol to anti-fossil fuel states like California and Oregon.

BACKGROUND

A few weeks ago, a cadre of lawmakers led by Representatives Feenstra, Hinson, Miller-Meeks, and Nunn took the debt limit bill hostage to protect home state climate change projects.[1] The saga garnered eye-rolls from many in Washington because most believed it was the usual Midwest kowtowing to ethanol interests – a regrettable but all too familiar ritual in Washington. Instead of it being the normal routine of protecting family farmers growing corn, this time Midwest Members were carrying the water for a mega donor. Mega donor Bruce Rastetter is working with liberal activists like BlackRock to build climate change sequestration pipelines – thousands of miles of pipelines carrying CO2 from ethanol

[1] https://rollcall.com/2023/04/26/house-gop-leaders-forge-ahead-with-debt-limit-vote/

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Washington DC 20003
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info@americanaccountabilityfoundation.com

plants and burying it underground - funded with tax-credits from President Biden's "Inflation Reduction Act" that will literally bulldoze family farms. And he's protecting the pipelines by spreading campaign cash around Washington to get Members of Congress to go to bat for him and his dubious climate change projects.

RASTETTER'S CLIMATE CASH

The carbon pipelines are so problematic, the first question that needs to be answered is why haven't these things been cast aside by debt-conscious conservatives. The answer is relatively straight-forward. The pipeline advocates are led by the leading mega-donor in Iowa, Bruce Rastetter, who is spreading money around to Members of Congress to secure their support. Conservatives know these projects are a terrible idea, doubly so for Members who believe in markets and are not buying AOC Green New Deal climate hype, so there's really only one way to explain supposed "conservatives" laying down on the tracks to protect these projects. It's all about the money.

There's a lot at stake with the carbon pipelines running through the Midwest (more on that below) and to protect them, Bruce Rastetter has been aggressive in spreading campaign cash around Congress. To protect his ethanol related projects Rastetter has spread around $805,295 to Members of Congress, their campaigns and the PAC supporting them. That's on top of the tens of thousands he's given to the RGA, and nearly two million dollars he's donated in Iowa. In Congress, the overwhelming majority of Rastetter's donations have gone to members from the Midwest.

Notable recipients of Rastetter's largesse include:

- Ashley Hinson who received $27,200 from Rastetter. Most shockingly, the Hinson Victory Fund took an $11,600 check from Rastetter on March 30, 2023, just two weeks before she went to the mattresses to protect the carbon pipeline tax breaks in the House debt limit bill.
- Mariannette Miller-Meeks who has taken $14,200 from Rastetter, again with $5,800 appearing on March 28, just a few days before she'd join the fight for Rastetter's pipeline on the debt limit bill.
- Randy Feenestra whose campaigns pocketed $15,600.
- Zach Nunn a leading advocate for the tax breaks took multiple contributions from Rastetter totaling $18,200.

THE CO2 PIPELINE IS WRONG FOR ALL THE WRONG REASONS

Private Companies with Eminent Domain Powers – *Kelo* on Steroids

There are three CO2 pipelines under consideration in the Midwest, Summit Carbon Solutions, Navigator CO2 Ventures, and ADM/Wolf Carbon Solutions. The pipelines would carry carbon dioxide from ethanol facilities and sequester it underground in states around the Midwest. All told the three pipeline companies would lay roughly 2300 miles of pipelines in Iowa, Illinois, Minnesota, Nebraska, North

Dakota, and South Dakota.[2] "Two of three companies seeking to build the pipelines, Summit Carbon Solutions and Navigator CO2 Ventures, have notified state regulators they want to use eminent domain powers to buy access where Iowans have refused to sell. "[3]

Summit Carbon Solutions, Rastetter's company, has filed 80 lawsuits in South Dakota against property owners who do not wish to have a pipeline running through their property. [4] In Iowa the legislature is considering restricting the use of eminent domain and Summit has noted that despite its thousands of meetings with landowners in Iowa that it has only acquired voluntary easements from 70% of the landowners on the pipeline route.

Providing eminent domain authority to a project whose benefits will accrue only to the businesses involved in the project is a gross misuse of the eminent domain powers. Sadly, as expected abuses of the eminent domain powers are quickly becoming apparent.

Killing Family Farms

Numerous sources have detailed how the pipelines would adversely impact family farms and hurt the quality of life in rural America.[5]

- "A rural water district says the Summit plan would "cause damage to every water line crossed" in their area. "[6]
- "And a school district says Navigator's proposed route across their property would impede construction of already-planned school buildings."[7]
- Kathy Stockdale's kitchen may as well be mission control in a plan to keep two carbon capture pipelines from running through her Hardin County century farm.
  "Our house is right here," she says as she points at a corkboard dotted with tacks marking homes and lines marking where she believes the Summit Carbon Solutions and Navigator carbon capture pipelines plan to go.
  Summit, Navigator and Wolf Carbon Solutions all plan to build carbon capture pipelines in Iowa. If both Summit and Navigator are approved, both will run through Stockdale's farm.

[2] https://www.desmoinesregister.com/story/money/business/2021/11/28/what-is-carbon-capture-pipeline-proposals-iowa-ag-ethanol-emissions/8717904002/
[3] https://www.desmoinesregister.com/story/news/politics/iowa-poll/2023/03/14/iowa-carbon-capture-pipeline-use-eminent-domain-opposed-majority-iowa-poll/69982590007/
[4] https://www.argusleader.com/story/news/city/2023/05/01/summit-initiates-eminent-domain-claims-against-south-dakota-landowners-carbon-capture-pipelines-puc/70164962007/
[5] https://www.politico.com/news/2022/05/29/iowa-manchin-carbon-capture-pipeline-00030361
[6] https://www.politico.com/news/2022/05/29/iowa-manchin-carbon-capture-pipeline-00030361
[7] https://www.politico.com/news/2022/05/29/iowa-manchin-carbon-capture-pipeline-00030361

"Where are our property rights that we've been guaranteed by our constitution and by our state?" she said, standing in her driveway with her son and husband. "They're being taken away. I think that's what I'm fighting for is our property rights."[8]

- "This is just the latest case of someone insisting on putting a pipeline or an easement on our property. I've lost track of how many times our family has had to deal with this," said Beth Richards, whose family farms in Hardin County. "Why should the landowners welcome encroachment on their land for a project that doesn't pay direct dividends to them other than a vague promise that ethanol is good for corn prices? Why isn't rent going to be paid for the land or profits shared with farmers?"[9]

Wildly Expensive and Financed by Special Federal Tax Breaks

The carbon pipelines in the Midwest simply do not work without massive government subsidies. There is not a market to pump CO2 from ethanol into the ground unless the federal government creates it. Massive tax breaks are essential for companies to make the projects work.

The left is generally supportive of green technology projects but even groups on the left have concluded that carbon pipelines are a boondoggle. Estimates from the group Food and Water Watch put a dollar value on how much the three pipelines would cost the taxpayer:

> "A single federal tax credit called Section 45Q could funnel almost $2 billion a year to Summit, Navigator and Wolf/ADM to capture carbon from ethanol facilities to feed their pipeline projects. Over the 12 years that the projects are eligible to profit from the Section 45Q credit, the companies could make $23 billion" [10]

Even if they're wrong by $10B there's still over $10B in taxpayer subsidies wasted on the project.

Subsidizes the Operations of Foreign Ethanol Production

Summit Agricultural Group is a multi-national firm with significant operations in Brazil. Rastetter's company, and its profitability, is incredibly important to the development of Brazil. As Iowa reporting noted in 2017, Rastetter's "Partnership with Iowa company helps Brazil open first modern ethanol plant,"[11] a plant known as FS Bioenergia. The FS Bioenergia "plant is an international collaboration

[8] https://www.kcci.com/article/the-property-rights-battle-is-well-underway-as-carbon-capture-companies-plan-to-criss-cross-iowa/41937273
[9] https://www.iowapublicradio.org/ipr-news/2021-10-13/proposed-carbon-dioxide-pipeline-draws-opposition-from-iowa-farmers-and-environmentalists-alike
[10] https://www.foodandwaterwatch.org/wp-content/uploads/2022/04/Midwest-Carbon-Pipelines-True-Cost-to-Taxpayers_4.4.pdf
[11] https://www.kmaland.com/ag/partnership-with-iowa-company-helps-brazil-open-first-modern-ethanol-plant/article_f8e33b26-8413-11e7-8ea3-67c96994cdcc.html

between U.S.-based Summit Agricultural Group and Brazilian agribusiness Fiagril."[12] Since money is fungible the profits enabled by the massive 45Q subsidies provided to the carbon pipeline in the United States will go to propping up the development of Rastetter's ethanol infrastructure in South America.

Rastetter's Energy Company is Partnering with Chinese Multi-national Company Funded by CCP Development Bank Creating Serious National Security Concerns

As mentioned above, Bruce Rastetter's Summit Agricultural Group has significant partnerships in Brazil, specifically the company runs the FS Bioenergia, the "F" being short for Fiagril, the "S" for Summit. As Rastetter announced in 2017, ""Summit Ag Group and Fiagril are proud to have delivered this historic project to Mato Grosso, and we look forward to the development of the region as a leader in ethanol, corn and livestock production."[13] Note Rastetter in front of the Summit / Fiagril banner at the groundbreaking. [14]

What Rastetter failed to note was that his business partner in the Brazil ethanol facility was actually a Chinese company with close ties to the Chinese Communist Party. As Fiagril's website notes, in 2016 Fiagril was acquired by the Pengxin Group,[15] through its business line the "Hunan Dakang International Food & Agriculture Co."[16]

Hunan Dakang International Food & Agriculture Co. has close ties to the Chinese Communist Party, using those ties to secure access to financing when the company struggled. "Fiagril has recently secured more

[12] https://www.prnewswire.com/news-releases/fs-bioenergia-game-changer-in-brazils-ethanol-industry starts-production-300504858.html
[13] https://www.prnewswire.com/news-releases/fs-bioenergia-game-changer-in-brazils-ethanol-industry starts-production-300504858.html
[14] https://www.facebook.com/photo/?fbid=1218022258210693&set=a.1218005054879080
[15] https://www.fiagril.com.br/nossa-historia/
[16] https://www.reuters.com/article/fiagril-turnaround/brazils-fiagril-turnaround-on-track-after-chinese-investors-burned-exec-idINL2N22M1IE

capital to continue with the turnaround. This year, China Development Bank approved a $300 million revolving loan, which will provide working capital for three years, Silva said."[17]

The Chinese Development Bank exists to execute on the green agenda of the Communist Party of China, noting in that:[18]

> CDB will continue to thoroughly implement the decisions and instructions of the CPC Central Committee and the State Council on carbon peaking and carbon neutrality, and further play the unique role of development finance in key fields and weak areas, continuously driving the green and low-carbon financing for new achievements.

Rastetter's close partnership with a leading Chinese company funded by the one of the Chinese Communist Party's leading development banks should raise serious questions about Rastetter's judgement and creates serious national security concerns in a critical area like energy investment.

In League with Left Wing ESG Financiers BlackRock

While Rastetter was partnering with companies close to the Chinese Communist Party, one of the other pipelines, the Navigator Energy Solutions was partnering with Blackrock to build the Heartland Gateway Pipeline. From ESG Today reporting:

> Mark Florian, Head of BlackRock's Global Energy & Power Infrastructure team, said:
> *"We are very excited to partner with Valero and Navigator in the development of this project. Carbon capture infrastructure is a key part of reducing global carbon dioxide emissions, and we look forward to executing this important project with high-quality industry partners and creating a strong investment for our funds."*

Predicated on Catering to the Left's Anti Carbon Agenda

If you hate fossil fuels and want to be in league with those who want to kill them off, carbon sequestration pipelines are the perfect project. They're being built by people who want to end fossil fuels to serve people who want to end fossil fuels.

Summit Agriculture in particular is unashamed of their anti-fossil attitude. When announcing the pipeline, they bragged:[19]

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[17] https://www.reuters.com/article/fiagril-turnaround/brazils-fiagril-turnaround-on-track-after-chinese-investors-burned-exec-idINL2N22M1IE
[18] https://www.cdb.com.cn/English/xwzx_715/khdt/202204/t20220424_9851.html
[19] https://www.summitag.com/news/summitcarbonsolutions

> Summit Agricultural Group announces the creation of Summit Carbon Solutions, a new business platform that will address the global challenge of **decarbonization** by developing the world's largest carbon capture and storage project.

Decarbonization is exactly what it sounds like, a plan for a future without fossil fuels.

And they're in league with the decarbonization advocates on the west coast who are attempting to force all Americans to drive electric vehicles. While California is in the process of banning the internal combustion engine in automobiles,[20] they are also subsidizing the use of alternative fuels to strangle the traditional oil and gas industry. Carbon sequestration pipeline's sources of CO2, ethanol plants, plan to profit off of that anti-oil and gas subsidy by selling their now low "carbon intensity (CI)" fuel (after the CO2 is buried under ground) to California who is requiring low CI fuels.[21]

> Although ethanol is a clean burning fuel, carbon dioxide emissions are a byproduct of the production process. Knecht said, "The future demands lower carbon emissions and standards are increasingly pointing in that direction. We'd love to lower our carbon intensity score as needed for the West Coast market. California retailers sell a lot of E85 for the industry."
> ...
> Proponents say carbon pipelines are necessary to control the greenhouse gases driving climate change. As Keith understands it, by transporting the carbon dioxide to the storage areas in North Dakota, the carbon footprint of ethanol will be reduced which is what customers in California are seeking. This will enable ethanol plants to increase their profits while increasing demand. "As we are on the western edge of the corn belt, keeping customers in California satisfied is important to us. They pay a premium for ethanol which has a lower emission which reduces the carbon footprint. That ends up with a higher value to me as a corn producer."

Iowa Citizens Overwhelmingly Oppose the Pipelines

The facts on the ground are clear, the only way these projects go forward is with the power of eminent domain, and with the pipeline companies having eminent domain there is overwhelming opposition to the pipeline. From the Des Moines Register in March:

> The poll shows 78% of Iowans oppose companies using the state-granted power to build carbon-capture pipelines across the state, while 15% are in favor and 7% are unsure.
> "This initiative is opposed by strong majorities in every demographic group," said pollster J. Ann Selzer, who conducts the Iowa Poll.
> A strong majority of Iowans oppose eminent domain for the pipelines, regardless of their political party, gender, age, religion, income or where they live.

[20] https://ww2.arb.ca.gov/resources/documents/cars-and-light-trucks-are-going-zero-frequently-asked-questions#:~:text=Yes.%20California%20is%20only%20requiring,and%20fuel%20cell%20electric%20vehicles.
[21] https://www.tsln.com/news/ethanol-industry-seeks-carbon-capture-solution/

For example, 72% of Republicans oppose using eminent domain for pipeline construction, 82% of Democrats and 79% of independents; 76% of men and 80% of women; 78% of respondents younger than 45 along with those 45 and older; and 80% of rural residents and 76% of urban residents.

Eighteen percent of men favor it, compared with 11% of women. The poll of 805 Iowans was conducted March 5-8 by Selzer & Co. It has a margin of error of plus or minus 3.5 percentage points.

Objection, Docket Number HLP-2021-0001

To Whom It May Concern:

I am writing in opposition to Summit Carbon Solutions LLC's Petition for a Hazardous Liquid Pipeline Permit.

Summit Carbon Solutions submitted a Form D to the SEC on October 22, 2021. It submitted an amended Form D to the SEC on May 12, 2022. You'll find those here: EDGAR Entity Landing Page. I've also attached these documents for reference. The amended version lists a total of 464 investors in this project.

The amended Form D filing includes investors, who are identified as Directors under Related Persons, Item 3. Harold Hamm, William Berry, Emil Henry, Mike Stone, Jonathan Garfinkel, and Yu Jeong-Joon have all been added and are listed as Directors. I would assume this gives these individuals, on behalf of their investor pools or business enterprises, some say in the operation of this venture.

Yu Jeong-Joon is identified as vice president of SK E&S in various news articles. The firm's buy-in received coverage in the May 10, 2022, Aju Business Daily. See that here: https://www.ajudaily.com/view/20220510105506193. I've also attached this article for reference.

SK Group is a South Korean firm. It has experienced legal troubles in South Korea, some recent: Prosecutors raid SK Group in connection with alleged slush fund case at SK Networks (see also attached).

https://en.yna.co.kr/view/AEN20210525006851315 (see also attached).

Under federal exemptions and exclusions (Item 6) in the May 12, 2022, amended SEC filing, Summit cites Rule 506(c). I believe this exempts Summit from closer scrutiny by the SEC, under the assumption that all of the investors in Summit are "accredited." I don't have any information to indicate that any of the investors identified to date are not accredited. Most remain unidentified.

I would ask the Utilities Board to conduct due diligence in order to determine if the SK Group is part of the same company, SK Holdings Co. Lt., that is listed in the following Contractor Misconduct Database:
https://www.contractormisconduct.org/contractors/161/sk-holdings-co-ltd.
If this is the same company, I think it should raise concerns regarding SK's involvement in the Summit Carbon pipeline project. My research indicates that it is affiliated, and that SK E&C now goes by the name SK ecoplant: SK E&C begins afresh as 'SK ecoplant'. See also attached. See also this listing of companies (attached):
https://eng.sk.com/companies.

The Contractor Misconduct database contains information on several actions taken against SK Engineering and Construction in the United States (see attached). The company pleaded guilty to defrauding the U.S. Army in June of 2020 and was fined more than $68 million according to a Department of Justice Press release (see attached). I believe these were criminal sanctions.

The other Directors listed in the amended SEC filing, as best I can tell, are affiliated with Tiger Infrastructure (Emil Henry), TPG Rise (Mike Stone and Jonathan Garfinkel), and Continental Resources (Harold Hamm and William Berry).

I think with the exception of Continental Resources, all of these investors are private venture capital or investment firms. I don't think we know where a lot of the money comes from, and much of it may well come from foreign investors outside the U.S. This would include SK Group.

Tiger Infrastructure: https://www.tigerinfrastructure.com/

SK Group: https://eng.sk.com/news/sk-group-appoints-first-head-of-u-s-corporate-and-government-affairs
The Drive for Better | SK

TPG: TPG Rise Climate | The Rise Fund

Continental: Home - Continental Resources

Billionaire-founder Harold Hamm offers to take Continental Resources private in $25 billion deal

You'll note in the above link that Harold Hamm wants to take Continental Resources private.

The Aju Daily article states that SK Group has a 10 percent stake in the Summit Carbon venture. In other, related articles, including the May 10, 2022, Biofuels Digest, TPG is identified as a global private equity firm. This indicates that additional monies for this venture are coming from foreign entities. In the Aju Daily article, SK also talks about using what it learns in Latin America.

According to a September 2021 article in the Financial Times, TPG Rise received an investment from Saudi Arabia's public investment fund (PIF): "PIF also invested in the $5.4 bn TPG Rise Climate fund, chaired by Hank Paulson, a former US Treasury secretary." (Saudi Arabia's grandiose climate plans struggle to take off). See attached.

Summit Carbon has employed the LS_2 Group, or Larson Shannahan Slifka, as its representative and lobbyist. Recently, Dan Lederman, Chairman of South Dakota's Republican Party, spoke out in support of the program at various meetings held in his state. Lederman is listed as a senior advisor on LS_2's website. Lederman is also listed as an active foreign agent representing Saudi Arabia on the FARA website: https://efile.fara.gov/docs/6749-Short-Form-20191202-26.pdf (see attached), along with a host of other LS_2 staff members and subcontractors. My review of LS_2's filings on the FARA website indicates that in recent years, this Iowa firm has been paid many hundreds of thousands of dollars to represent Saudi Arabia.

If Saudi Arabia and other foreign principals have invested in Summit Carbon Solutions, Iowans should be informed of this fact, including the amount of monies invested.

Summit has identified the tax credits available through section 45Q of the federal tax code as one of its sources of revenue. I think most Iowans, particularly those

landowners whose property may be subject to eminent domain, might have something to say about a project that relies upon federal monies as a revenue source and takes on investors whose backgrounds Iowans know little to nothing about.

I know very little about the FIRRMA regulations that are meant to more closely scrutinize foreign investments: https://www.lw.com/thoughtLeadership/final-cfius-regs-take-effect-feb-2020-10-key-questions-answered (see also attached). I would request that the Iowa Utilities Board conduct due diligence to determine if the Summit Carbon pipeline project is subject to these regulations: https://www.lw.com/thoughtLeadership/final-cfius-regs-take-effect-feb-2020-10-key-questions-answered.

Thank you.

Sincerely,
Nancy Dugan
506 Second St. SE
Altoona, IA 50009

The Securities and Exchange Commission has not necessarily reviewed the information in this filing and has not determined if it is accurate and complete.
The reader should not assume that the information is accurate and complete.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM D

Notice of Exempt Offering of Securities

OMB APPROVAL	
OMB Number:	3235-0076
Estimated average burden hours per response:	4.00

1. Issuer's Identity

CIK (Filer ID Number)
0001869302

Previous Names: [ ] None
SCS HoldCo I, LLC

Name of Issuer
Summit Carbon Holdings, LLC

Jurisdiction of Incorporation/Organization
DELAWARE

Year of Incorporation/Organization
[ ] Over Five Years Ago
[X] Within Last Five Years (Specify Year) 2021
[ ] Yet to Be Formed

Entity Type
[ ] Corporation
[ ] Limited Partnership
[X] Limited Liability Company
[ ] General Partnership
[ ] Business Trust
[ ] Other (Specify)

2. Principal Place of Business and Contact Information

Name of Issuer
Summit Carbon Holdings, LLC

Street Address 1
10640 COUNTY HIGHWAY D20

Street Address 2

City	State/Province/Country	ZIP/PostalCode	Phone Number of Issuer
ALDEN	IOWA	50006	515-854-9820

3. Related Persons

Last Name	First Name	Middle Name
Rastetter	Bruce	

Street Address 1
10640 County Highway D20

Street Address 2

City	State/Province/Country	ZIP/PostalCode
Alden	IOWA	50006

Relationship: [X] Executive Officer [X] Director [ ] Promoter

Clarification of Response (if Necessary):

Chief Executive Officer, Managing Member and President of SCSMM, LLC ("Managing Member") of Issuer, Director of Issuer

Last Name	First Name	Middle Name

Last Name	First Name	Middle Name
Kirchhoff	Justin	
Street Address 1	Street Address 2	
10640 County Highway D20		
City	State/Province/Country	ZIP/PostalCode
Alden	IOWA	50006

Relationship: [X] Executive Officer [X] Director [ ] Promoter

Clarification of Response (if Necessary):

Vice President of Managing Member of Issuer, Director of Issuer

Last Name	First Name	Middle Name
Probst	Jonathan	
Street Address 1	Street Address 2	
10640 County Highway D20		
City	State/Province/Country	ZIP/PostalCode
Alden	IOWA	50006

Relationship: [X] Executive Officer [ ] Director [ ] Promoter

Clarification of Response (if Necessary):

Vice President of Managing Member of Issuer

Last Name	First Name	Middle Name
Hamm	Harold	G.
Street Address 1	Street Address 2	
PO Box 268836		
City	State/Province/Country	ZIP/PostalCode
Oklahoma City	OKLAHOMA	73126

Relationship: [ ] Executive Officer [X] Director [ ] Promoter

Clarification of Response (if Necessary):

Director of Issuer

Last Name	First Name	Middle Name
Berry	William	B.
Street Address 1	Street Address 2	
PO Box 268836		
City	State/Province/Country	ZIP/PostalCode
Oklahoma City	OKLAHOMA	73126

Relationship: [ ] Executive Officer [X] Director [ ] Promoter

Clarification of Response (if Necessary):

Director of Issuer

Last Name	First Name	Middle Name
Henry	Emil	
Street Address 1	Street Address 2	
717 Fifth Avenue	Floor 12A	
City	State/Province/Country	ZIP/PostalCode
New York City	NEW YORK	10022

Relationship: [ ] Executive Officer [X] Director [ ] Promoter

Clarification of Response (if Necessary):

Director of Issuer

Last Name	First Name	Middle Name
Stone	Mike	
Street Address 1	Street Address 2	
301 Commerce Street Suite 3300		
City	State/Province/Country	ZIP/PostalCode
Fort Worth	TEXAS	76102

Relationship: [ ] Executive Officer [X] Director [ ] Promoter

Clarification of Response (if Necessary):

Director of Issuer

Last Name	First Name	Middle Name
Garfinkel	Jonathan	
Street Address 1	Street Address 2	
301 Commerce Street Suite 3300		
City	State/Province/Country	ZIP/PostalCode
Fort Worth	TEXAS	76102

Relationship: [ ] Executive Officer [X] Director [ ] Promoter

Clarification of Response (if Necessary):

Director of Issuer

Last Name	First Name	Middle Name
Joon Yu	Jeong	
Street Address 1	Street Address 2	
1980 Post Oak Blvd	2000 Suite	
City	State/Province/Country	ZIP/PostalCode
Houston	TEXAS	77056

Relationship: [ ] Executive Officer [X] Director [ ] Promoter

Clarification of Response (if Necessary):

Director of Issuer

4. Industry Group

[ ] Agriculture

Banking & Financial Services

- [ ] Commercial Banking
- [ ] Insurance
- [ ] Investing
- [ ] Investment Banking
- [ ] Pooled Investment Fund

Health Care

- [ ] Biotechnology
- [ ] Health Insurance
- [ ] Hospitals & Physicians
- [ ] Pharmaceuticals
- [ ] Other Health Care

[ ] Retailing

[ ] Restaurants

Technology

- [ ] Computers
- [ ] Telecommunications
- [ ] Other Technology

[ ]

Is the issuer registered as an investment company under the Investment Company Act of 1940?

[ ] Yes [ ] No

[ ] Other Banking & Financial Services

[ ] Business Services

Energy

[ ] Coal Mining

[ ] Electric Utilities

[ ] Energy Conservation

[X] Environmental Services

[ ] Oil & Gas

[ ] Other Energy

[ ] Manufacturing

Real Estate

[ ] Commercial

[ ] Construction

[ ] REITS & Finance

[ ] Residential

[ ] Other Real Estate

Travel

[ ] Airlines & Airports

[ ] Lodging & Conventions

[ ] Tourism & Travel Services

[ ] Other Travel

[ ] Other

5. Issuer Size

Revenue Range	OR	Aggregate Net Asset Value Range
[ ] No Revenues		[ ] No Aggregate Net Asset Value
[ ] $1 - $1,000,000		[ ] $1 - $5,000,000
[ ] $1,000,001 - $5,000,000		[ ] $5,000,001 - $25,000,000
[ ] $5,000,001 - $25,000,000		[ ] $25,000,001 - $50,000,000
[ ] $25,000,001 - $100,000,000		[ ] $50,000,001 - $100,000,000
[ ] Over $100,000,000		[ ] Over $100,000,000
[X] Decline to Disclose		[ ] Decline to Disclose
[ ] Not Applicable		[ ] Not Applicable

6. Federal Exemption(s) and Exclusion(s) Claimed (select all that apply)

[ ] Rule 504(b)(1) (not (i), (ii) or (iii))

[ ] Rule 504 (b)(1)(i)

[ ] Rule 504 (b)(1)(ii)

[ ] Rule 504 (b)(1)(iii)

[ ] Rule 506(b)

[X] Rule 506(c)

[ ] Securities Act Section 4(a)(5)

[ ] Investment Company Act Section 3(c)

[ ] Section 3(c)(1)

[ ] Section 3(c)(2)

[ ] Section 3(c)(3)

[ ] Section 3(c)(4)

[ ] Section 3(c)(5)

[ ] Section 3(c)(6)

[ ] Section 3(c)(7)

[ ] Section 3(c)(9)

[ ] Section 3(c)(10)

[ ] Section 3(c)(11)

[ ] Section 3(c)(12)

[ ] Section 3(c)(13)

[ ] Section 3(c)(14)

7. Type of Filing

[ ] [ ]

[ ] New Notice Date of First Sale 2021-10-08 [ ] First Sale Yet to Occur

[X] Amendment

8. Duration of Offering

Does the Issuer intend this offering to last more than one year? [ ] Yes [X] No

9. Type(s) of Securities Offered (select all that apply)

[X] Equity	[ ] Pooled Investment Fund Interests
[ ] Debt	[ ] Tenant-in-Common Securities
[ ] Option, Warrant or Other Right to Acquire Another Security	[ ] Mineral Property Securities
[ ] Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security	[X] Other (describe) Membership Interests ("Units")

10. Business Combination Transaction

Is this offering being made in connection with a business combination transaction, such as a merger, acquisition or exchange offer? [ ] Yes [X] No

Clarification of Response (if Necessary):

11. Minimum Investment

Minimum investment accepted from any outside investor $20,000 USD

12. Sales Compensation

Recipient

Recipient CRD Number [X] None

(Associated) Broker or Dealer [X] None

(Associated) Broker or Dealer CRD Number [X] None

Street Address 1

Street Address 2

City

State/Province/Country

ZIP/Postal Code

State(s) of Solicitation (select all that apply)
Check "All States" or check individual States

[ ] All States

[ ] Foreign/non-US

13. Offering and Sales Amounts

Total Offering Amount $1,065,806,690 USD or [ ] Indefinite

Total Amount Sold $1,065,806,690 USD

Total Remaining to be Sold $0 USD or [ ] Indefinite

Clarification of Response (if Necessary):

14. Investors

[ ] Select if securities in the offering have been or may be sold to persons who do not qualify as accredited investors, and enter the number of such non-accredited investors who already have invested in the offering.

Regardless of whether securities in the offering have been or may be sold to persons who do not qualify as accredited investors, enter the total number of investors who already have invested in the

464

offering:

15. Sales Commissions & Finder's Fees Expenses

Provide separately the amounts of sales commissions and finders fees expenses, if any. If the amount of an expenditure is not known, provide an estimate and check the box next to the amount.

Sales Commissions $0 USD ☐ Estimate

Finders' Fees $0 USD ☐ Estimate

Clarification of Response (if Necessary):

16. Use of Proceeds

Provide the amount of the gross proceeds of the offering that has been or is proposed to be used for payments to any of the persons required to be named as executive officers, directors or promoters in response to Item 3 above. If the amount is unknown, provide an estimate and check the box next to the amount.

$0 USD ☐ Estimate

Clarification of Response (if Necessary):

Certain persons named in Item 3 and/or affiliates thereof, may be paid certain management or other expenses/fees which may be deemed paid out of proceeds, the amount for which cannot be estimated.

Signature and Submission

Please verify the information you have entered and review the Terms of Submission below before signing and clicking SUBMIT below to file this notice.

Terms of Submission

In submitting this notice, each issuer named above is:

- Notifying the SEC and/or each State in which this notice is filed of the offering of securities described and undertaking to furnish them, upon written request, in the accordance with applicable law, the information furnished to offerees.*
- Irrevocably appointing each of the Secretary of the SEC and, the Securities Administrator or other legally designated officer of the State in which the issuer maintains its principal place of business and any State in which this notice is filed, as its agents for service of process, and agreeing that these persons may accept service on its behalf, of any notice, process or pleading, and further agreeing that such service may be made by registered or certified mail, in any Federal or state action, administrative proceeding, or arbitration brought against the issuer in any place subject to the jurisdiction of the United States, if the action, proceeding or arbitration (a) arises out of any activity in connection with the offering of securities that is the subject of this notice, and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these statutes, or (ii) the laws of the State in which the issuer maintains its principal place of business or any State in which this notice is filed.
- Certifying that, if the issuer is claiming a Regulation D exemption for the offering, the issuer is not disqualified from relying on Rule 504 or Rule 506 for one of the reasons stated in Rule 504(b)(3) or Rule 506(d).

Each Issuer identified above has read this notice, knows the contents to be true, and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

For signature, type in the signer's name or other letters or characters adopted or authorized as the signer's signature.

Issuer	Signature	Name of Signer	Title	Date
Summit Carbon Holdings, LLC	/s/ Justin Kirchhoff	Justin Kirchhoff	Vice President of Managing Member of Issuer	2022-05-12

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

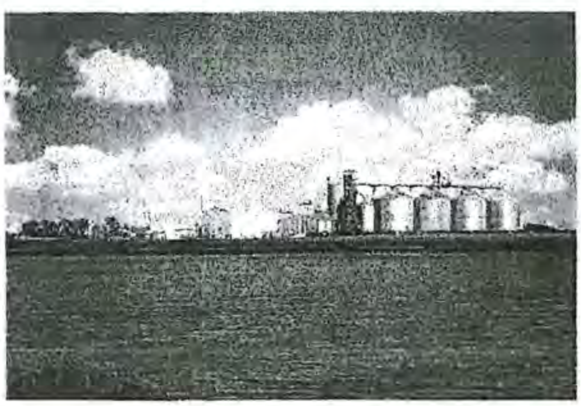
* This undertaking does not affect any limits Section 102(a) of the National Securities Markets Improvement Act of 1996 ("NSMIA") [Pub. L. No. 104-290, 110 Stat. 3416 (Oct. 11, 1996)] imposes on the ability of States to require information. As a result, if the securities that are the subject of this Form D are "covered securities" for purposes of NSMIA, whether in all instances or due to the nature of the offering that is the subject of this Form D, States cannot routinely require offering materials under this undertaking or otherwise and can require offering materials only to the extent NSMIA permits them to do so under NSMIA's preservation of their anti-fraud authority.

Filed with the Iowa Utilities Board on July 5, 2022, HLP-2021-0001

Aju Business Daily

SK E&S joins world's largest carbon capture project by acquiring 10% of U.S. project leader Summit

[illegible] Reporter([illegible]) | Posted : May 10, 2022, 11:00 | Updated : May 10, 2022, 11:00



[Courtesy of SK E&S]

SEOUL -- SK E&S, an energy company affiliated with South Korea's SK Group, will join what would be the world's largest carbon capture project by spending $110 million to acquire a 10 percent stake in U.S. project leader Summit Carbon Solutions, a business platform that addresses the global challenge of decarbonization.

Real Time Photo News

SM-LG home fitness service targets global market with K-pop and dance content

Actor Yoo Ah-in recreated into virtual human for online apparel retail company

Virtual rapper Hip-Kongz to debut through rap song 'BAM'

Highest court confirms 18-month jail sentence for former BIGBANG member Seungri

Shinsegae's online fashion platform showcases virtual reality exhibition room for new designer brand

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Sesame Lab founder eyes overseas markets with ...

Summit's project is aimed at capturing up to 12 million tons of carbon dioxide (CO_2) a year from 32 corn ethanol plants in five midwest states. CO_2 captured at each plant will be transported to an underground carbon storage facility to be built in North Dakota for permanent storage through a pipeline of 3,200 kilometers (1,988 miles).

Construction is to begin in the first half of 2023 for commercial operation in the second half of 2024. For the carbon capture and storage (CCS) project, SK E&S said it would build a "CCS dream team" with Summit Agricultural Group, a diverse farming and agricultural investor, Continental Resource, a major U.S. petroleum and gas company, and private equity firm Texas Pacific Group (TPG).

SK E&S anticipates strategic synergy effects with Summit by using its biofuel business experience in the U.S. and Latin America as well as with Continental Resource which possesses know-how about various pipeline operations in petroleum and gas business.

Washington's renewable fuel standard (RFS) program calls for at least 10 percent in the ethanol volume required for blending into gasoline. Bioethanol, usually made by the fermentation of corn or sugarcane, can be used as motor fuel or an industrial raw material, but it generates CO_2 in the production process. Bioethanol produced with CCS technology can generate a carbon credit.

By participating in the U.S. CCS project, SK E&S aims to establish a bridgehead in large global CCS projects. "CCS is a critical technology that can directly reduce carbon dioxide produced in the process of using different energy sources such as natural gas and biofuels," SK E&S vice president Yu Jeong-joon said in a statement on May 10.

In March 2022, SK E&S disclosed a project to turn a gas production facility in Bayu-Undan in the Timor Sea into a CCS plant capable of storing about 10 million tons of carbon dioxide annually. The project is aimed at securing an overseas storage base that can handle carbon dioxide generated from the Barossa gas field and blue hydrogen production facilities in South Korea.

As part of a broad group-wide project to promote hydrogen as a new growth engine, SK E&S disclosed a $1.4 billion investment decision In March 2021 to develop gas fields in northern Australia and bring in 1.3 million tons of liquefied natural gas per year for 20 years from 2025.

Lim Chang-won Reporter
email : cwlim346@ajunews.com

TOP

Related news

Prosecutors raid SK Group in connection with alleged slush fund case at SK Networks

2021-03-05 17:04

Choi Shin-won, the chairman of SK Networks Co., heads to a courtroom to attend his arrest warrant hearing at the Seoul Central District Court in Seoul on Feb. 17, 2021. (Yonhap)

Prosecutors on Friday raided SK Group's headquarters to see if the group is involved in the alleged creation of an illicit fund by the chairman of the SK Networks Co., a global trading unit of the group.

The anti-corruption unit of the Seoul Central Prosecutors Office said prosecutors and police investigators from the unit were searching the SK Group headquarters in Seoul to secure evidence for an investigation into the slush fund allegation.

On the same day, prosecutors indicted chairman Choi Shin-won, who was arrested last month on charges of embezzlement and breach of trust. He is a son of late SK Group founder Chey Jong-gun and a cousin of SK Group Chairman Chey Tae-won.

Choi faces allegations that he created a slush fund worth 223.5 billion won ($198 million) through the company's six affiliates, including SKC, a chemical manufacturing company, and SK Telesys Co., a communication equipment manufacturer.

In addition, investigators are looking into the allegation that he was involved in stock manipulation.

SK Networks bought back 100 billion won worth of treasury shares from March to early June last year. After the plan was made public, shares in the company jumped to 5,600 won from 4,300 won.

Prosecutors suspect the buyback was aimed at boosting stock prices and Choi and company executives may have illegally profited in the process.

Also he was accused of hiding around 1.6 billion won under employees' names and violating the Foreign Exchange Transactions Act by taking around 900 million won overseas without reporting it.

Choi served as chairman for SKC Co. from 2000 to 2015 and has been in his current position since 2016.

The investigation into the suspected slush fund case began when the Korea Financial Intelligence Unit (KoFIU) under the Financial Services Commission (FSC) spotted suspicious flows of money at SK Networks in 2018. (Yonhap)

http://www.koreaherald.com/common/newsprint.php?ud=20210305000747

(LEAD) SK Group's No. 2 executive indicted on breach of trust charge

All News · 16:18 May 25, 2021

(ATTN: UPDATES with SK chairman not being booked in last 3 paras)

SEOUL, May 25 (Yonhap) — The No. 2 official at SK Group was indicted Tuesday on a breach of trust charge related to allegedly unlawful transactions among affiliates.

The Seoul Central District Prosecutors Office indicted Cho Dae-sik, chairman of the SK Supex
the top decision-making body of the third-largest South Korean conglomerate, without
).

dly inflicted huge financial losses on SKC, a chemical manufacturing arm of SK Group, through dubious inter-affiliate stock transactions in 2012 and 2015, according to prosecution officials.

This undated file photo shows Cho Dae-sik, chairman of the SK Supex Council. (Yonhap)

Issue Keywords

#coronavirus-additional cases
#KCTU
#rally
#additional case
#alert

(URGENT) S. Korea reports 7 new COVID-19 deaths, total at 24,587: KDCA

(LEAD) Umbrella union stages massive rallies in Seoul amid scorching heat

Umbrella union stages massive rallies in Seoul amid scorching heat

(2nd LD) New COVID-19 cases bounce back to over 10,000 amid resurgence woes

(LEAD) Heat wave alert issued nationwide

Most Liked

Cho is accused of having SKC invest 70 billion won (US$62.34 million) in a capital increase of SK Telesys, a communication equipment manufacturer that was in a state of capital erosion in 2015, when he was serving as the chairman of SKC's board of directors. SKC reportedly sustained a huge loss from the SK Telesys deal.

He is also suspected of orchestrating the move to have SKC invest 19.9 billion won in SK Telesys' capital increase in 2012.

Prosecutors allege that SKC appeared to have skipped appropriate investment reviews ahead of its SK Telesys deals by providing false and insufficient reports on SK Telesys' self-rescue measures to SKC's outside directors, though the troubled company was in a state of being unable to recover due to capital erosion.

Cho Kyung-mok, a former top financial officer of SK Corp., and Choi Tae-eun, a former senior executive at SKC, were also indicted without detention for allegedly being involved in the dubious inter-affiliate deals.

Ahn Seung-yun, CEO of SK Telesys, was also indicted without detention on charges of accounting fraud. Ahn is accused of inflating company assets by 15.2 billion won after an unsuccessful capital increase attempt in 2015.

The latest indictments came while prosecutors were investigating Choi Shin-won, CEO and chairman of SK Networks, over allegations of overseas slush funds and other charges. Choi, a son of the late SK Group founder Chey Jong-gun and a cousin of SK Group Chairman Chey Tae-won, was serving as the chairman of SK Telesys in 2015. Choi was indicted in March on charges of ...ement and breach of trust related to the creation of slush funds.

... questioned in written form in connection with the SK Telesys case but was not booked as prosecutors failed to find evidence of a collusive relationship with Cho.

Prosecutors said Chey approved SKC's participation in the SK Telesys capital increase in advance but that there was no evidence to suggest that he received any specific progress report or colluded with Cho.

SK Group has denied the breach of trust charges against its executives, arguing that SKC's participation in the SK Telesys capital increase should be regarded as a normal management activity as the SK company turned a profit one year after its recapitalization.

ycm@yna.co.kr
(END)

(Yonhap Interview) Talent, gov't support are key to chip industry's success: professor


(LEAD) Samsung begins mass production of 3nm chips


BTS member V visits Paris after k-pop boyband suspends group activities


Yoon to agree to new partnership with NATO in second half of year


(LEAD) N. Korea appears to have discharged water from dam near inter-Korean border: gov't official


Most Saved

(Yonhap Interview) Talent, gov't support are key to chip industry's success: professor


(LEAD) Samsung begins mass production of 3nm chips


Yoon to agree to new partnership with NATO in second half of year


(LEAD) Yoon to agree to new partnership with NATO in second half of year

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(LEAD) Heat wave alert issued nationwide


Heat wave alert issued nationwide


N. Korea blasts U.S. statement on its nuclear, missile programs, vows to bolster self-defense capabilities

(LEAD) New COVID-19 cases bounce back to over 10,000 amid resumption of...


SK E&C begins afresh as 'SK ecoplant'

2021-05 24 16:50

(SK ecoplant)

SK Engineering & Construction, the building arm of South Korea's third-largest conglomerate SK Group, has officially changed its corporate name to "SK Ecoplant" as part of the group's effort to enhance ESG management.

The company on Monday released its new corporate identity and future vision on the company's intranet under the title "Deep Change Story."

The new corporate name was approved at the extraordinary general shareholders' meeting held at the company's headquarters in Seoul on May 21.

In October last year, the builder filed an application to the Seoul Central District Court for the temporary registration of three corporate name candidates -- SK Ecoplant, SK Impact, and SK Circlers.

The corporate name "SK Ecoplant" reflects the company's drive to grow beyond the conventional construction business and to embrace innovative eco-friendly

technologies, according to officials.

As a mid-term fiscal road map to back its vision, the company vowed to invest some 3 trillion won ($2.67 billion) by 2023.

One of the suggested action plans is to enhance the role of Environment Management Corporation -- previously EMC Holdings -- and to gain an upper hand in downstream businesses including water treatment and waste incineration.

The company will also seek to acquire small-sized innovative players and develop new industrial complexes, under the bolt-on strategy, officials added.

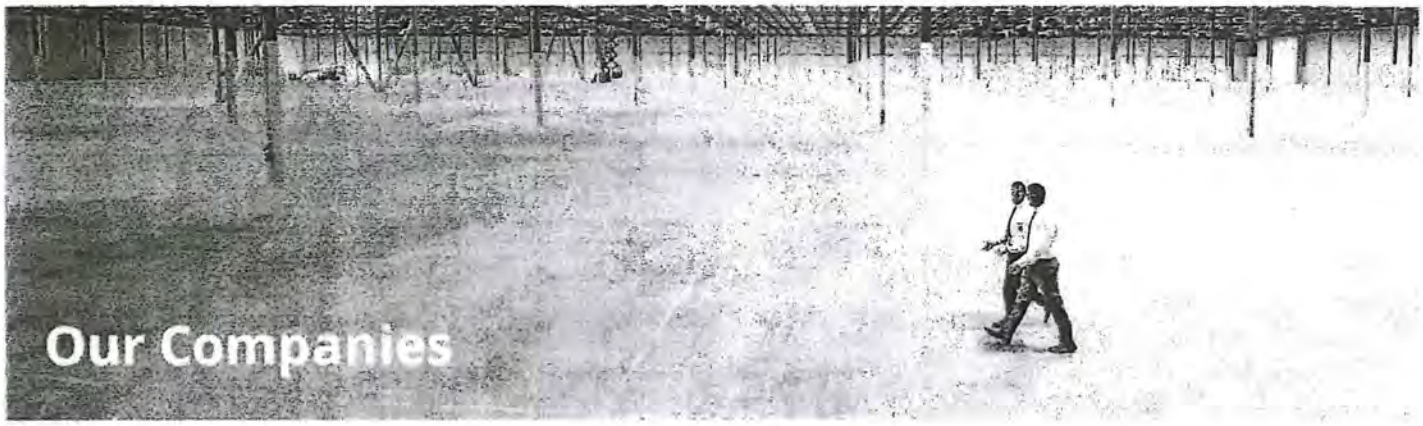
Regarding its conventional construction business, SK Ecoplant will focus on expanding eco-friendly building materials and on establishing a circular economy through the so-called 3Rs -- reduce, reuse and recycling of waste.

"The new corporate name signals a new start in promoting eco-friendly business ideas and related technologies," said Ahn Jae-hyun, president and CEO of the company.

"We shall figure out impactful business solutions so that we may grow into Asia's top environmental enterprise in upcoming years."

By Bae Hyun jung (tellme@heraldcorp.com)

http://www.koreaherald.com/common/newsprint.php?ud=20210524000809



At SK, we get behind the unexpected opportunities that will form the new backbone of our global progress.

We operate more than 120 businesses across the energy, life sciences, advanced materials, mobility, and semiconductors industries. As part of the broader SK network, we also have access to global perspectives and resources that help us fulfill our vision for each of the markets we're in.

A to Z Industry Location

SKC
+5 subsidiaries

SK broadband
+1 subsidiary

SK ecoplant
+1 subsidiary

SK energy

SK geo centric

SK biopharmaceuticals
+2 subsidiaries

SK chemicals
+3 subsidiaries

SK E&S
+11 subsidiaries

SK gas
+6 subsidiaries

SK hynix

Federal Contractor Misconduct Database (FCMD)

The federal government routinely awards contracts to companies with histories of misconduct, including contract fraud and other violations. POGO believes that providing this website will help to improve contracting decisions and increase public knowledge of how the government spends billions of taxpayer dollars each year. Read more...

Fraudulent Scheme to Obtain U.S. Army Construction Contracts

SK Engineering & Construction Co. Ltd. pleaded guilty to one count of wire fraud and paid $68.4 million in criminal fines, restitution, and a False Claims Act settlement in connection with a fraudulent scheme to obtain U.S. Army construction contracts through payments to a Department of Defense contracting official and the submission of false claims to the U.S. government. SK obtained construction work at Camp Humphreys, South Korea, by paying millions of dollars to a fake Korean construction company, which subsequently paid that money to a contracting official with the U.S. Army Corps of Engineers. In order to cover these payments, SK submitted false documents to the Army. SK also admitted that its employees obstructed and attempted to obstruct government investigations.

Misconduct Type
Government Contract Fraud

Enforcement Agency
Justice

Contracting Party
Defense - Army

Court Type
Criminal

Disposition
Pleaded Guilty

Date of Plea
6/10/2020

Contractors Involved	Penalty
SK Holdings Co., Ltd.	$68,380,731
Total	**$68,380,731**

Further Information	Released
Criminal Information	6/10/2020
DOJ Press Release	6/10/2020
Plea	6/10/2020

See also:

- U.S. v. Lee (Fraudulently Obtaining U.S. Army Construction Contracts)
  SK Holdings Co. Ltd.

Federal Contractor Misconduct Database (FCMD)

The federal government routinely awards contracts to companies with histories of misconduct, including contract fraud and other violations. POGO believes that providing this website will help to improve contracting decisions and increase public knowledge of how the government spends billions of taxpayer dollars each year. Read more...

U.S. v. Lee (Fraudulently Obtaining U.S. Army Construction Contracts)

SK Engineering & Construction Co., Ltd. employees Hyeong-won Lee and Dong-Guel Lee were indicted on various charges for their alleged roles in a scheme from 2008 to 2017 to fraudulently obtain U.S. Army construction contracts in South Korea. The defendants are accused of submitting fraudulent construction subcontracts to disguise millions of dollars in kickback payments to a U.S. Department of Defense official and obstructing investigations into the scheme.

Misconduct Type
Government Contract Fraud

Enforcement Agency
Justice

Contracting Party
Defense - Army

Court Type
Criminal

Disposition
Pending

Date of Indictment
11/8/2018

Contractors Involved	Penalty
SK Holdings Co., Ltd.	$0
Total	**$0**

Further Information	Released
DOJ Press Release	11/8/2018
Indictment	11/8/2018

See also:

- Fraudulent Scheme to Obtain U.S. Army Construction Contracts

Federal Contractor Misconduct Database (FCMD)

The federal government routinely awards contracts to companies with histories of misconduct, including contract fraud and other violations. POGO believes that providing this website will help to improve contracting decisions and increase public knowledge of how the government spends billions of taxpayer dollars each year. Read more...

Rigging Bids on Department of Defense Fuel Supply Contracts – Criminal Prosecution

Three South Korea-based companies, including SK Energy Co. Ltd., pleaded guilty to a criminal violation of Section 1 of the Sherman Act for their involvement in a decade-long bid-rigging conspiracy involving contracts to supply fuel to U.S. Army, Navy, Marine Corps, and Air Force bases in South Korea. According to the charges, beginning around March 2005 and continuing into 2016, SK Energy and other South Korean petroleum and refinery companies participated in a conspiracy to suppress and eliminate competition during the bidding process for U.S. military fuel contracts. SK Energy paid a $34 million criminal fine (plus a $400 special assessment). SK also paid more than $90 million to settle related civil antitrust and False Claims Act charges (see SK Holdings Co., Ltd. instance, "Rigging Bids on Department of Defense Fuel Supply Contracts – Civil Settlement").

Misconduct Type
Government Contract Fraud

Enforcement Agency
Multiple Agencies

Contracting Party
Defense - General

Court Type
Criminal

Disposition
Pleaded Guilty

Date of Plea Announcement
11/14/2018

Contractors Involved	Penalty
SK Holdings Co., Ltd.	$34,079,185
Total	**$34,079,185**

Further Information	Released
Criminal Information	11/14/2018
DOJ Press Release	11/14/2018
Plea Agreement	11/14/2018

See also:

- **Rigging Bids on Department of Defense Fuel Supply Contracts – Civil Settlement**
- **Rigging Bids on Department of Defense Fuel Supply Contracts – Civil Settlement**
- **Rigging Bids on Department of Defense Fuel Supply Contracts – Criminal Prosecution**

Federal Contractor Misconduct Database (FCMD)

The federal government routinely awards contracts to companies with histories of misconduct, including contract fraud and other violations. POGO believes that providing this website will help to improve contracting decisions and increase public knowledge of how the government spends billions of taxpayer dollars each year. Read more...

Rigging Bids on Department of Defense Fuel Supply Contracts – Civil Settlement

The U.S. Department of Justice filed a civil complaint against three South Korea-based companies, including SK Energy Co. Ltd., alleging the companies participated in a decade-long bid-rigging conspiracy involving contracts to supply fuel to U.S. Army, Navy, Marine Corps, and Air Force bases in South Korea. According to the complaint, the three companies "defrauded the U.S. military by fixing prices and rigging bids for the contracts" and "met and communicated in secret with other large South Korean oil refiners and logistics companies, and pre-determined which conspirator would win each contract." The government alleged the companies "and their co-conspirators illegally overcharged American taxpayers by well over $100 million." SK Energy paid $90.4 million to settle civil antitrust (Sherman Act) and False Claims Act charges. SK Energy also paid a fine to settle a related criminal case (see SK Holdings Co., Ltd. instance, "Rigging Bids on Department of Defense Fuel Supply Contracts – Criminal Prosecution).

Misconduct Type
Government Contract Fraud

Enforcement Agency
Justice

Contracting Party
Defense - General

Court Type
Civil

Disposition
Settlement

Date of Settlement Announcement
11/14/2018

Contractors Involved	Penalty
SK Holdings Co., Ltd.	$90,384,872
Total	**$90,384,872**

Further Information	Released
Competitive Impact Statement	11/14/2018
Complaint (Sherman Act)	11/14/2018
DOJ Press Release	11/14/2018
Proposed Final Judgment	11/14/2018
Settlement Agreement (False Claims Act)	11/14/2018

See also:

- Rigging Bids on Department of Defense Fuel Supply Contracts – Civil Settlement
- Rigging Bids on Department of Defense Fuel Supply Contracts – Criminal Prosecution
- Rigging Bids on Department of Defense Fuel Supply Contracts – Criminal Prosecution

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, June 10, 2020

South Korean Engineering Company Pleads Guilty to Defrauding U.S. Army, Agrees to Pay $68.4 Million

SK Engineering & Construction Co. Ltd. (SK), one of the largest engineering firms in the Republic of Korea, pleaded guilty today to one count of wire fraud, in connection with a fraudulent scheme to obtain U.S. Army contracts through payments to a U.S. Department of Defense contracting official and the submission of false claims to the U.S. government.

SK entered the plea, pursuant to a plea agreement with the United States, before U.S. District Judge Thomas L. Parker in the Western District of Tennessee, who sentenced SK to pay $60,578,847.08 in criminal fines, the largest fine ever imposed against a criminal defendant in the Western District of Tennessee, pay $2,601,883.86 in restitution to the U.S. Army, and serve three years of probation, during which time SK agreed not to pursue U.S. federal government contracts. The U.S. Army previously suspended SK by order dated Nov. 17, 2017, from future contracting throughout the executive branch of the U.S. Government.

As part of SK's plea agreement, SK agreed to, among other things, cooperate fully with the United States in all matters relating to the conduct covered by the plea agreement and other conduct under investigation by the United States, to report violations of U.S. federal law, and to continue to implement a compliance and ethics program designed to effectively detect and deter violations of U.S. federal law throughout its operations. Separately, SK has entered into a False Claims Act settlement with the United States, under which it is obligated to pay $5,200,000 in civil penalties to the United States, which the department credited against SK's criminal fine.

"SK paid millions of dollars to secure contracts with the Army and submitted false claims to conceal those illicit payments," said Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division. "Today's guilty plea and substantial criminal penalty sends a clear message: companies who voluntarily self-disclose misconduct, cooperate, and remediate will receive appropriate credit for their efforts. But companies like SK – which withheld and destroyed documents, attempted to persuade a witness not to cooperate, and failed to discipline any responsible employees – will pay a price."

"This settlement demonstrates our commitment to root out corrupt practices that harm our military and American taxpayers, and to hold contractors accountable for their corruption," said Assistant Attorney General Jody Hunt of the Justice Department's Civil Division.

"Protecting the U.S. Treasury and the interests of the federal government abroad is a top priority of this office, and this guilty plea and sentence shows our commitment to hold foreign actors accountable for major fraud committed against the United States," said U.S. Attorney D. Michael Dunavant of the Western District of Tennessee. "The scheme committed by the defendant in this case is a serious crime of dishonesty and deceit that strikes at the very heart of those national interests and will not be tolerated. The Army-CID, the FBI, and DCIS are to be commended for their diligent investigative work in uncovering and exposing this fraud, and I am pleased that we have achieved justice by holding the defendant legally and financially accountable."

"American contracts are not for sale in the United States, nor abroad," said Paul Delacourt, the Assistant Director in Charge of the FBI's Los Angeles Field Office. "This case should send a message to companies and officials domestically and overseas that the FBI and our partners will hold accountable those who threaten the integrity of our military operations and who abuse their position to profit personally at the expense of American taxpayers."

"This plea demonstrates the great cooperation among our federal investigators and prosecutors," said Director Frank Robey of the U.S. Army Criminal Investigation Command's (CID) Major Procurement Fraud Unit. "It also holds SK responsible for their actions and sends a strong message that this type of conduct will not be tolerated."

"This sort of abhorrent behavior is a serious threat to the integrity of the DoD acquisition process and a gross betrayal of the public trust" said Special Agent in Charge Stan Newell of the Defense Criminal Investigative Service (DCIS), Transnational Operations Field Office. "The special agents of the DCIS, along with our partner agencies, will vigorously investigate and bring to justice those who pilfer taxpayer dollars and shamelessly enrich themselves through corruption and deceit."

According to plea documents, SK obtained a large U.S. Army construction contract at Camp Humphreys, South Korea in 2008 worth hundreds of millions of dollars. SK paid millions of dollars to a fake Korean construction company named S&Teoul, which subsequently paid that money to a contracting official with the U.S. Army Corps of Engineers. In order to cover approximately $2.6 million in payments to S&Teoul, and ultimately to the contracting official, SK submitted false documents to the U.S. Army.

SK also admitted that its employees obstructed and attempted to obstruct federal criminal investigations of the fraud and bribery scheme. SK admitted that, in April 2015, its employees burned large numbers of documents related to U.S. Army contracts, in order to hamper U.S. and Korean investigators. Further, SK admitted that, in the fall of 2017, its employees obstructed a federal criminal proceeding by attempting to persuade an individual not to cooperate with U.S. authorities.

A number of relevant considerations contributed to the United States' criminal resolution with SK, including that SK frustrated the United States' investigation by withholding requested documents and information, destroying documents relevant to a pending federal investigation, and attempting to persuade a potential witness not to cooperate with the investigation. In addition, SK did not discipline any employees responsible for the misconduct, either through direct participation or failure in oversight, or those with supervisory authority over the area in which the criminal activity occurred, and failed to retain business records and otherwise failed to prohibit the improper destruction and deletion of business records.

In November 2018, two SK employees, Hyeong-won Lee and Dong-Guel Lee, were indicted by a federal grand jury in the Western District of Tennessee on charges of conspiracy, major fraud against the United States, wire fraud, money laundering conspiracy, and obstruction of justice for their alleged roles in the scheme.

The indictment is only an accusation, and the defendants are presumed innocent unless and until found guilty by a court of law. The case is U.S. v. Lee (2:18-cr-20378-TLP). Hyeong-won Lee and Dong-Guel Lee are currently fugitives of justice.

Army-CID, DCIS, and the FBI's Los Angeles Field Office investigated this case. Assistant Chief Justin Weitz and Trial Attorney Danny Nguyen of the Criminal Division's Fraud Section, and Assistant U.S. Attorney Tony Arvin of the Western District of Tennessee prosecuted the case. Trial Attorney Andrew Steinberg of the Civil Division's Fraud Section represented the government in the civil case. The Criminal Division's Office of International Affairs and Public Integrity Section and the Korean National Police Agency provided assistance in connection with the case.

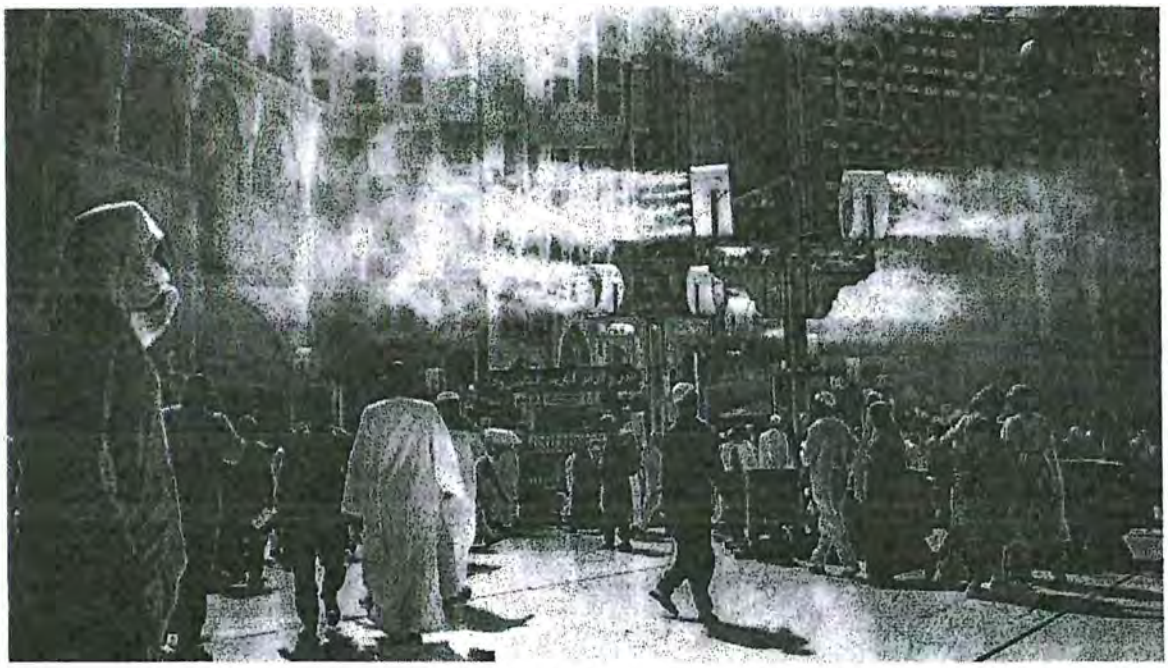
The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

Attachment(s):
Download SKEC Information
Download SKEC Plea Agreement

Saudi Arabia

Saudi Arabia's grandiose climate plans struggle to take off

Sceptics question whether kingdom's pledge to lead 'next green era' will be matched with tangible action



Water is sprayed over Muslim pilgrims to cool them down in the holy city of Mecca in 2015. Saudi Arabia has vowed that half of the kingdom's power generation will be provided by renewables by 2030 © Mosa'ab Elshamy/AP

Andrew England and **Camilla Hodgson** in London AUGUST 29 2021

When Crown Prince Mohammed bin Salman announced Saudi Arabia's "green initiative" this year he did so with the type of eye-catching pledge that has come to characterise the young royal's grandiose plans to modernise the kingdom.

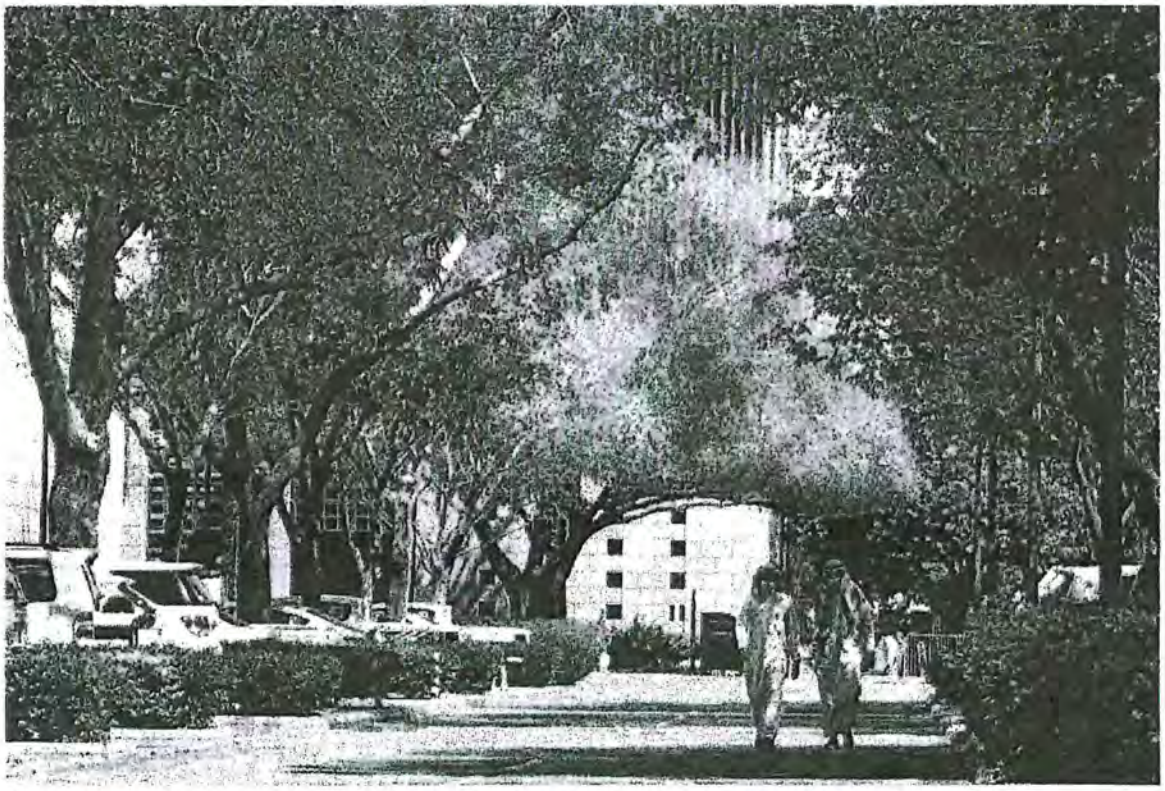
Promising that the world's top oil exporter would lead the "next green era", Prince Mohammed vowed that 50 per cent of Saudi Arabia's power generation would be provided by renewables by 2030, with the other 50 per cent fuelled by gas. Riyadh would also plant 10bn trees in the desert nation in the coming decades.

"As a leading global oil producer, we are fully aware of our share of responsibility in advancing the fight against the climate crisis," the prince said as he unveiled the plan in March. "And as [with] our pioneering role in stabilising energy markets during the oil and gas era, we will act to lead the next green era."

But as with many of the prince's ambitious schemes, sceptics question whether his rhetoric will be matched with tangible action on the ground. The kingdom burns about 1m barrels of oil equivalent a day to fuel its power system, a figure that rises sharply in the scorching summer months when Saudis rely on air-conditioning to keep cool.

The Climate Action Tracker, an independent research group, rates Saudi Arabia's climate commitments as "critically insufficient", citing a lack of clear policies or data about its emissions.

"It's not very clear how they actually aim to achieve these [climate goals], it's not very transparent at all," said Mia Moisio, analyst at the NewClimate Institute, which helps collate the Climate Action Tracker data. "I am quite cautious about [the kingdom's] announcements . . . There's no reason why it wouldn't be possible in Saudi. But there's a lot of inertia."



Saudi Arabia plans to plant 10bn trees in the coming decades © Fayez Nureldine/AFP/Getty

Riyadh said in its 2015 emissions reduction plan that it would decrease greenhouse gas emissions by 130m tonnes by 2030, but it did not outline how it would do that.

During negotiations with scientists, Saudi officials objected to some of the wording in this month's landmark UN climate report, according to several people involved in the discussions, wanting to replace references to "carbon emissions" with "greenhouse gas emissions".

Riyadh also unsuccessfully requested the removal of the term "net zero" from several sections of the report's summary on the grounds that it was "policy prescriptive", according to the International Institute for Sustainable Development.

Saudi officials insist the government is committed to taking action, saying Riyadh's objections to the use of carbon emissions in a section of the UN report related to their argument that to address the Paris Agreement climate goals, including net zero, "we really need to look at greenhouse gases not only carbon dioxide".

The officials said the kingdom, built on hydrocarbons, had taken great strides since putting climate change on the national agenda in 2015, with Prince Mohammed promising to ease the economy's addiction to oil.

"Now we are much more comfortable, back then we had a really big question mark," a senior Saudi official told the Financial Times. "But the progress we have made since then has been just amazing."

Three years ago, in a politically sensitive move, Riyadh doubled petrol prices and increased utility tariffs, partly to raise revenue but also to improve energy efficiency. It has also made multiple pronouncements on renewable energy projects, including hugely ambitious plans to create the world's first carbon-zero city, The Line, intended to be powered by hydrogen, in Prince Mohammed's flagship megaproject Neom.

And in 2018, he announced a $200bn joint venture with Japan's SoftBank to develop the world's largest solar power project. But months after the announcement, the Public Investment Fund, which the prince chairs, was forced to issue a statement denying that the project had been shelved. In the three years since, there has been no detail on its progress.

The PIF, which invested $40bn in SoftBank's Vision Fund and is spearheading Prince Mohammed's development plans, did not respond to a request for comment.

SoftBank's chief executive Masayoshi Son and Crown Prince Mohammed bin Salman in New York in 2018 © Jeenah Moon/Bloomberg

But the fund is expected to oversee 70 per cent of Saudi Arabia's renewable projects targeted in the kingdom's 2030 development plan. This month, ACWA Power, a utility 50 per cent owned by the PIF, announced the financial close for a SR3.4bn ($907m) solar project, Sudair, that is expected to generate 1.5GW of electricity. PIF also invested in the $5.4bn TPG Rise Climate fund, chaired by Hank Paulson, a former US Treasury secretary.

Saudi officials said there was currently 300MW of installed solar capacity, adding that Riyadh was developing 13 projects that would raise that to 5GW by 2024.

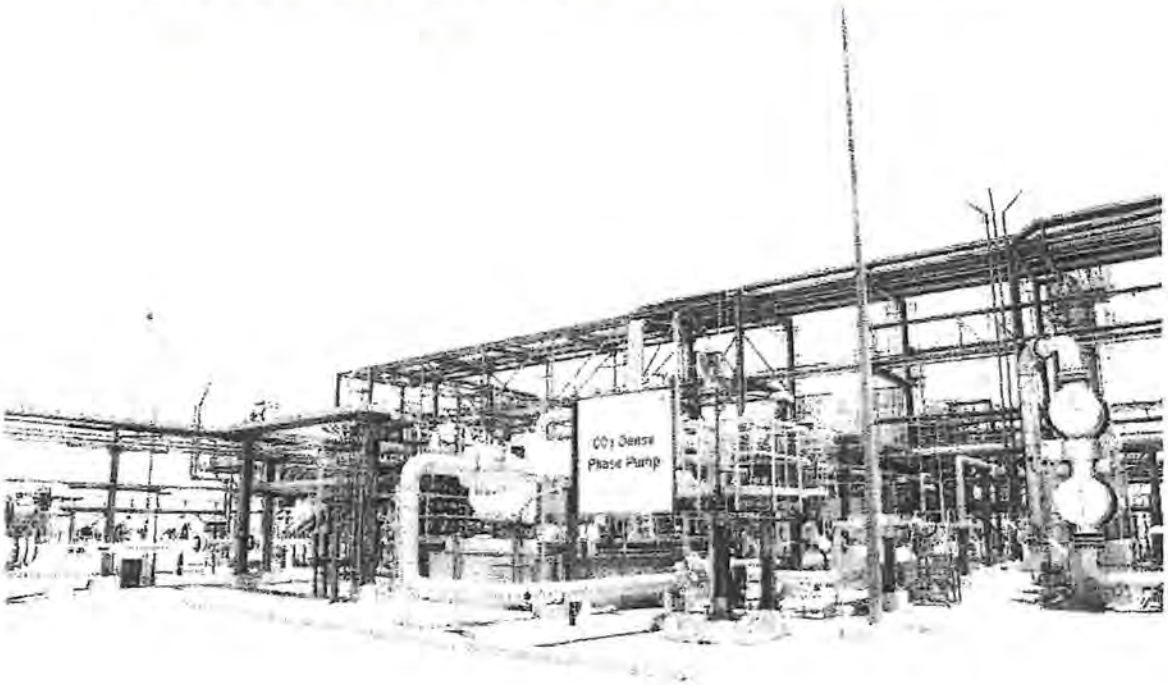
But Tim Buckley, director of energy finance studies, Australia/South Asia, at the Institute for Energy Economics and Financial Analysis, said the stop-start nature of Saudi projects had put potential investors off.

"The market's cynical: they announced the biggest solar project in the world three to four years ago and nothing came of it," he said.

However, he added that the kingdom's vast desert lands and hot climate meant it was endowed with resources that give it the potential to become "the solar capital of the world having been the oil capital of the world".

Government officials said they also planned to capture the emissions generated by the production of hydrocarbons — a much smaller volume than that generated when the fuels are burned — using carbon capture utilisation and storage (CCUS) and direct air capture (DAC).

Both the state oil company Saudi Aramco and the petrochemicals group Sabic were developing programmes in that field, Saudi officials said.



The Saudi Aramco-operated Hawiyah Natural Gas Liquids Recovery Plant © Maya Siddiqui/Bloomberg

"We realise we have to go beyond renewable, beyond electrification into making sure CCUS and DAC are well in hand; hydrogen becomes a clean fuel that needs to be established [and] we realise that even for aviation fuel we need to work hard on the e-fuel side," the senior Saudi official said.

He said with clean hydrocarbon technologies there was no conflict between "utilising hydrocarbons and addressing climate".

The kingdom remains dependent on oil for revenues and foreign currency. It also faces massive financial commitments to fund a raft of megaprojects that are part of Prince Mohammed's plans to diversify the economy.

"The reality is that [the Saudis] have got no economic incentive to switch away from fossil fuel production at the moment," said Richard Black, senior associate at the Energy and Climate Intelligence Unit.

Climate Capital

OMB No. 1124-0005, Expires May 31, 2020

U.S. Department of Justice

Washington, DC 20530

Short Form Registration Statement Pursuant to the Foreign Agents Registration Act of 1938, as amended

INSTRUCTIONS. Each partner, officer, director, associate, employee, and agent of a registrant is required to file a short form registration statement unless he engages in no activities in furtherance of the interests of the registrant's foreign principal or unless the services he renders to the registrant are in a secretarial, clerical, or in a related or similar capacity. Compliance is accomplished by filing an electronic short form registration statement at https://www.fara.gov.

Privacy Act Statement. The filing of this document is required for the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611 *et seq.* for the purposes of registration under the Act and public disclosure. Provision of the information requested is mandatory, and failure to provide the information is subject to the penalty and enforcement provisions established in Section 8 of the Act. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, DC. Statements are also available online at the Registration Unit's webpage: https://www.fara.gov. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public and online at: https://www.fara.gov.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .429 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Counterintelligence and Export Control Section, National Security Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name	2. Registration No.
Dan Lederman	6749
3. Residence Address(es) 725 Indian Wells Court Dakota Dunes, SD 57049	4. Business Address(es) 725 Indian Wells Court Dakota Dunes, SD 57049
5. Year of Birth 1972 Nationality USA Present Citizenship USA	6. If present citizenship was not acquired by birth, indicate when, and how acquired. n/a

7. Occupation Consultant

8. What is the name and address of the primary registrant?
Name Larson Shannahan Slifka Group, LLC. Address 510 E. Locust St. Ste. 200 Des Moines, IA 50309

9. Indicate your connection with the primary registrant:

☐ partner ☐ director ☐ employee ☒ consultant
☐ officer ☐ associate ☐ agent ☐ subcontractor
☐ other *(specify)*_____

10. List every foreign principal to whom you will render services in support of the primary registrant.
Royal Embassy of Saudi Arabia

11. Describe separately and in detail all services which you will render to the foreign principal(s) listed in Item 10 either directly, or through the primary registrant listed in Item 8, and the date(s) of such services. *(If space is insufficient, a full insert page must be used.)*
Provide strategic and government affairs advice, public relations and communications advice and services, and outreach and engagement with the public and media groups.

Received by NSD/FARA Registration Unit 12/02/2019 6:09:54 PM

12. Do any of the above described services include political activity as defined in Section 1(o) of the Act and in the footnote below?

Yes ☒ No ☐

If yes, describe separately and in detail such political activity.

The activities identified in the answer to question 11 will include informing the public, government officials and the media about the importance of fostering and promoting strong relations between the United States and the Kingdom of Saudi Arabia.

13. The services described in Items 11 and 12 are to be rendered on a

☐ full time basis ☒ part time basis ☐ special basis

14. What compensation or thing of value have you received to date or will you receive for the above services?

☐ Salary: Amount $ _____ per _____ ☐ Commission at _____ % of _____

☐ Salary: Not based solely on services rendered to the foreign principal(s).

☒ Fee: Amount $ 10,000/mon ☐ Other thing of value _____

15. During the period beginning 60 days prior to the date of your obligation to register to the time of filing this statement, did you make any contributions of money or other things of value from your own funds or possessions and on your own behalf in connection with any election to political office or in connection with any primary election, convention, or caucus held to select candidates for any political office? Yes ☒ No ☐

If yes, furnish the following information:

Date	Amount or Thing of Value	Political Organization or Candidate	Location of Event
11/10/19	$100	Tamara St. John	Online Contribution
11/5/19	$100	Rounds for Senate	Online Contribution
11/4/19	$35	South Dakota Republican Party	Online Contribution
10/29/19	$75	Republican National Committee	Online Contribution
10/12/19	$42	South Dakota Republican Party	Online Contribution
10/8/2019	$731.45	Dusty for Congress	In-kind Contribution
9/28/19	$11.67	Nevada Republican Central Committee	Online Contribution
9/28/19	$11.67	Donald J. Trump for President, Inc	Online Contribution
9/28/19	11.67	South Dakota Republican Party	Online Contribution

EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swears or affirms under penalty of perjury that he/she has read the information set forth in this registration statement and that he/she is familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her knowledge and belief.

11/26/2019
(Date of signature)

(Signature)

Footnote: "Political activity," as defined in Section 1(o) of the Act, means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

Received by NSD/FARA Registration Unit 12/02/2019 6:09:54 PM

OMB No. 1124-0005; Expires May 31, 2020

U.S. Department of Justice
Washington, DC 20530

Short Form Registration Statement

In accordance with 28 U.S.C. § 1746, and subject to the penalties of 18 U.S.C. § 1001 and 22 U.S.C. § 618, the undersigned swears or affirms under penalty of perjury that he/she has read the information set forth in this Short Form Registration Statement, that he/she is familiar with the contents thereof, and that such contents are in their entirety true and accurate to the best of his/her knowledge and belief.

Date	Printed Name	Signature
11/26/2019	DAN LEDERMAN	

Received by NSD/FARA Registration Unit 12/02/2019 6:09:54 PM

LATHAM&WATKINS

Client Alert Commentary

Latham & Watkins CFIUS & US National Security Practice January 22, 2020 | Number 2582

Final CFIUS Regulations Implementing FIRRMA Take Effect in February 2020: 10 Key Questions Answered

Under the final regulations, CFIUS filings for certain transactions will be required, and CFIUS will have broader jurisdiction to review certain foreign investments.

On January 13, 2020, the US Treasury Department published two Final Rules (available here and here) implementing changes to the foreign investment review process administered by the Committee on Foreign Investment in the United States (CFIUS). These changes, brought about by the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA), will take effect on February 13, 2020. These regulations finalize the proposed regulations that the Treasury Department issued in September 2019, which we reported on in a previous *Client Alert*.

The most important takeaways include:

- A CFIUS filing requirement for certain investments in US critical technology businesses (including some non-passive minority investments), similar to the CFIUS Pilot Program that took effect in November 2018
- A CFIUS filing requirement for most foreign-government-related investors making investments in US businesses involved in (1) critical **T**echnology, (2) critical **I**nfrastructure, or (3) sensitive personal **D**ata (so-called "TID" US businesses)
- A carve-out from CFIUS jurisdiction of certain non-controlling investments in TID US businesses and covered real estate transactions by certain "excepted" investors from Australia, Canada, and the United Kingdom
- Broader jurisdiction for CFIUS to assert its power of review over minority and non-passive TID US business investments by foreign investors
- CFIUS jurisdiction to review the purchase or lease by, or concession to, a foreign person of real estate located in proximity to sensitive US government facilities (but no mandatory filing requirement for covered real estate transactions)

This *Client Alert* answers 10 key questions about how the final CFIUS regulations will impact parties to transactions involving foreign investments in the United States.

1. What is a TID US business, and why does it matter?

A TID US business includes the following:

- A US business that produces, designs, tests, manufactures, fabricates, or develops critical technology. The final regulations clarify that not all US businesses involved with critical technology are TID US businesses. For example, if a US business produces an item using a critical technology component from a third party, and if the role of the US business is limited to merely verifying the fit and form of the third-party-supplied component, the US business is not a TID US business. The final regulations also provide much-needed relief to US critical technology businesses that were subject to the CFIUS Pilot Program solely because they were involved with items subject to certain encryption controls under the Export Administration Regulations (EAR), but eligible to take advantage of License Exception ENC.

- A US business that performs specified functions with respect to certain critical infrastructure, such as owning, operating, manufacturing, supplying, or servicing critical infrastructure across subsectors such as telecommunications, utilities, energy, and transportation, each as identified in an appendix to the Final Rules.

- A US business that maintains or collects sensitive personal data of US citizens, which is defined to include, among other things, identifiable data related to US government employees, health information, certain financial information, geolocation data, and genetic test results. Impacted US businesses are those that (1) "target or tailor" products or services to a US executive branch agency or military department with intelligence, national security, or homeland security responsibilities, (2) maintain or collect sensitive US citizen data on more than 1 million individuals within the 12-month period preceding certain transaction-related dates, or (3) have a demonstrated business objective to maintain or collect sensitive US citizen data on greater than 1 million individuals — and this data is an integrated part of the US business's primary products or services.

The final regulations expand CFIUS jurisdiction to reach non-controlling and non-passive investments by foreign investors in TID US businesses where the foreign investor is afforded certain triggering rights, such as board or observer rights, access to material non-public technical information about the TID US business, or involvement in the substantive decision-making of the TID US business. As discussed below, CFIUS filings are also required for certain investments in TID US businesses.

2. When will a CFIUS filing be required once the final regulations take effect?

Once the final regulations take effect, foreign investors will be required to file with CFIUS in connection with certain investments involving "critical technology" as well as certain investments in TID US businesses by parties in which a foreign government has a "substantial interest."

- *Investment in critical technology businesses*: The CFIUS Pilot Program already requires review by CFIUS of non-passive investments by foreign persons in US businesses that produce, design, test, manufacture, fabricate, or develop one or more "critical technologies" either used in connection with or designed specifically for one or more of 27 specified pilot program industries. This Pilot Program is now a permanent part of the final CFIUS regulations, with certain changes, including:

    - The current Pilot Program requires a CFIUS filing if the US business has a nexus to one of 27 industries identified by certain North American Industry Classification System

(NAICS) codes. In a forthcoming rule change, the Treasury Department is expected to replace the reference to NAICS codes with criteria relating to export control licensing requirements.

- As noted earlier, the final regulations remove basic encryption items subject to License Exception ENC from consideration as a critical technology.

- *Substantial foreign government interest transactions*: With certain exceptions, a CFIUS filing will be required for transactions in which a foreign person in which a foreign government has a "substantial interest" will itself acquire a "substantial interest" in a TID US business.

  - A foreign government has a substantial interest in the foreign investor if the foreign government has a 49% or greater direct or indirect voting interest in the foreign investor. A foreign investor has a substantial interest in a TID US business if the investment gives the foreign investor a 25% or greater direct or indirect voting interest in the TID US business. Notably, the final regulations make clear that limited partnership interests held by a foreign government generally do not count toward the substantial interest test.

If parties fail to make a mandatory CFIUS filing, CFIUS can assess a civil monetary penalty against the foreign investor, the US business, or both, up US$250,000 or the value of the transaction, whichever is greater.

3. When does CFIUS have jurisdiction to review a transaction if a filing is not required?

CFIUS has jurisdiction to review three types of transactions:

- *Control transactions*: CFIUS retains jurisdiction to review any transaction that could result in control of a US business by a foreign person. The final CFIUS regulations define "control" broadly to encompass certain minority investments. Importantly, the final regulations maintain the carve-out from CFIUS jurisdiction for transactions that result in a foreign person holding 10% or less of the outstanding voting interest in a US business "solely for the purpose of passive investment." A US business is a business that engages in interstate commerce in the United States. (The final regulations, consistent with FIRRMA, delete the phrase "but only to the extent of its activities in interstate commerce in the United States." The Treasury Department noted in response to comments about the new, more expansive definition that the change "is not intended to suggest that the extent of a business's activities in interstate commerce in the United States is irrelevant to the Committee's analysis of national security risk.")

- *Certain non-controlling TID US business investments*: Once the final regulations take effect, CFIUS will have jurisdiction to review non-passive investments in a TID US business by a foreign person if the investment affords the foreign person any of the following triggering rights identified in the final regulations, even if the investment does not give the foreign person control of the US business:

  - Access to material non-public technical information of the US business regarding its critical technology or its covered investment in critical infrastructure

  - Membership or observer rights on, or the right to nominate an individual to a position on, the board of directors or equivalent governing body of the US business

- Involvement, other than through the voting of shares, in substantive decision-making of the US business regarding the business's critical technology, the operation or supply of a covered investment in critical infrastructure, or the use of sensitive personal data of US citizens

- *Certain real estate investments*: Once the final regulations take effect, CFIUS will have jurisdiction to review transactions involving the purchase or lease by, or concession to, a foreign person of real estate in the United States located within (or functioning as a part of) an airport or maritime port, or in "close proximity to" a US military installation or other facility "sensitive for reasons relating to national security."

When CFIUS has jurisdiction to review an investment but a CFIUS filing is not required, the parties should consider carefully whether to make a voluntary filing to obtain CFIUS clearance. Absent such a clearance, CFIUS retains the right to force a filing of a transaction after signing or even after closing — with the possibility that CFIUS may impose conditions on the deal (called "mitigation") or even recommend to the President of the United States that the President block or unwind the transaction. In most cases, once CFIUS clearance has been received for a control transaction, the parties to the transaction benefit from safe harbor from further review. The decision whether to make a voluntary filing with CFIUS depends on a variety factors, including the national-security risks associated with the foreign investor and the US business, the deal timing, and the parties' tolerance for the possibility of a CFIUS review after signing or closing. Notably, CFIUS is devoting considerably more resources to identifying so-called "non-notified" transactions.

4. Which transactions will not be subject to filing requirements or CFIUS jurisdiction?

Transactions Involving Only Non-Foreign Investors

CFIUS does not have jurisdiction to review transactions involving only non-foreign investors unless an investor is ultimately controlled by a foreign person. As in the current CFIUS regulations, and in general terms, an entity qualifies as a foreign person if (1) it is organized under the laws of a country other than the United States and (2) its principal place of business is outside the United States or its equity securities are primarily traded on one or more foreign exchanges — unless the majority of its equity interests are ultimately owned by US nationals.

- *Principal place of business*: The final regulations include for the first time a definition for "principal place of business."

  - Principal place of business is defined as the place where a company's management "directs, controls, or coordinates the entity's activities," or in the case of an investment fund, where the investment fund's "activities and investments are primarily directed, controlled, or coordinated by or on behalf of the general partner, managing member, or equivalent."

  - If the investor has recently represented to the US government, a US state government, or any foreign government for tax or other purposes that its principal place of business is outside the United States, that location will be deemed to be the investor's principal place of business unless the investor can demonstrate that its principal place of business has changed to the United States since the earlier representation.

Although the definition of principal place of business will take effect on February 13, 2020, the Treasury Department is accepting public comments on the definition until February 18 and may revise the definition based on the comments.

Transactions Involving Certain Investment Funds

As required under FIRRMA, certain transactions involving investment funds are excluded from the expanded scope of CFIUS's jurisdiction for non-controlling investments in TID US businesses (but not from the expanded jurisdiction for real estate investments). In addition, filings are not required for qualifying transactions involving investment funds. This topic is discussed in more detail in the answer to Question 9.

Transactions Involving Investors With Close Ties to Australia, Canada, or the United Kingdom

FIRRMA requires CFIUS to exempt investors from some countries from the expanded scope of CFIUS's jurisdiction for non-controlling investments in TID US businesses and real estate investments. As alluded to in the proposed regulations in September 2019, the final regulations identify a short list of "excepted" foreign states: Australia, Canada, and the United Kingdom. The final regulations note that the list could be expanded in the future.

To qualify as an excepted investor, a party must satisfy several requirements establishing close connections to one or more of the excepted foreign states and/or the United States. For example, at least 75% of the foreign investor's board members and all individuals holding 10% or more of the voting interests in the investor must be from an excepted foreign state or the United States. (Under the proposed regulations, the requirement applied to all board members and individuals holding voting interests of 5% or more.) Even if a foreign investor satisfies these requirements, it will not be eligible for the exception if it has been found to have violated certain US laws, regulations, and orders. For instance, the foreign investor will not be eligible for the exception if it has been notified of a breach of a CFIUS mitigation agreement; if it has received a finding of a US sanctions violation by the Office of Foreign Assets Control; or if it has been debarred by the US State Department, or been identified on the Commerce Department's Entity List or Unverified List.

In a change from the proposed regulations, investors will not be required to file with CFIUS based solely on the fact that the government of an excepted foreign state has a substantial interest in a transaction. A filing could still be required for other reasons, however. For example, filings are required for certain transactions involving critical technology, and that requirement applies regardless of whether a foreign government has an interest in the transaction.

Transactions Involving Investors Subject to Other Governmental Oversight

Some foreign investment transactions that are already subject to US government oversight do not need to be notified to CFIUS. For instance, for investments involving critical technology, the final regulations exempt from the CFIUS filing requirement certain investments through an entity that is already subject to a security control agreement, special security agreement, voting trust agreement, or proxy agreement to offset foreign ownership, control, or influence (so-called FOCI) pursuant to the National Industrial Security Program regulations. However, the fact that a transaction involves an entity operating under such an agreement does not exempt it from CFIUS's jurisdiction or the filing requirement for transactions in which a foreign government has a substantial interest, so a CFIUS filing may still be warranted under certain circumstances.

5. When will parties be able to file a short-form declaration with CFIUS instead of a full notice?

Under the Pilot Program, parties required to file with CFIUS have had the choice of filing a short-form declaration (currently a five-page PDF form) or submitting a full notice to CFIUS.

Under the final regulations, parties generally have a choice of filing either a declaration or a full notice to CFIUS, including with respect to real estate transactions. Declarations and full notices each have advantages and disadvantages. A declaration can be prepared more quickly than a full notice, and CFIUS completes its review of a declaration in 30 calendar days as opposed to the two to four months or longer that its review of a full notice takes. However, filing a full notice necessarily leads to a final decision by CFIUS, whereas filing a declaration can lead to an inconclusive result — CFIUS can ask the parties to file a full notice after finishing its review of a 30-day declaration, or can conclude its review of a declaration without clearing the investment, meaning that the parties must file a full CFIUS notice to obtain protection against post-closing review of the transaction.

6. Is there now a CFIUS filing fee?

Not yet. The final regulations do not provide for filing fees, but FIRRMA authorizes CFIUS to establish them, and the Treasury Department has indicated that it will issue a proposed regulation regarding filing fees "at a later date." Under FIRRMA, the maximum fee is the lesser of 1% of the value of the transaction or US$300,000, adjusted for inflation. However, the Treasury Department could establish fees lower than this statutory maximum in its regulations.

7. Which real estate transactions are subject to CFIUS jurisdiction under the final regulations, and what are the filing requirements?

The final regulations (31 CFR Part 802) expand CFIUS's jurisdiction to review the purchase or lease by, or concession to, a foreign person of:

- Real estate located in or functioning as part of "covered ports," which includes certain airports and maritime ports
- Real estate located within one of the following areas, consistent with the updated list of military installations identified in Appendix A to Part 802:
    - One mile (close proximity) of certain military installations identified in Part 1 or Part 2 of Appendix A, such as the Pentagon in Arlington, Virginia, and Los Angeles Air Force Base in California
    - One to 100 miles (the extended range) of certain military installations identified in Part 2 of Appendix A, such as real estate located within 40 miles of Cape Canaveral Air Force Station in Florida or Fort Bragg in North Carolina
    - Certain counties identified in connection with military installations identified in Part 3 of Appendix A, such as Burke, Dunn, and McHenry counties in North Dakota in connection with the 91st Missile Wing Minot Air Force Base Missile Field
    - To the extent real estate is located within the limits of the United States' territorial sea, any part of a military installation as identified at Part 4 of Appendix A, such as the Boston

Range Complex offshore Massachusetts, New Hampshire, and Maine, and the Pensacola Operating Area offshore Alabama and Florida

The final regulations explain that the Treasury Department will make available to the public a web-based tool to help parties determine whether their transaction implicates "covered real estate." In the interim, the Treasury Department has directed the public to consult TIGERweb, a tool maintained by the Census Bureau, to view relevant military installations, urbanized areas, and urban clusters on a map.

Consistent with the proposed regulations, CFIUS can assert jurisdiction under the final regulations if a foreign investor holds at least three of the following property rights:

- To physically access the real estate
- To exclude others from physical access to the real estate
- To improve or develop the real estate
- To attach fixed or immovable structures or objects to the real estate

As provided in FIRRMA, there is no filing requirement for covered real estate investments. Parties may determine whether to file a short-form declaration or submit a full notice to CFIUS.

8. Which real estate transactions are not subject to CFIUS review?

The final regulations carve out from CFIUS's jurisdiction the following types of real estate investments:

- Investments made by investors from excepted foreign states, as discussed above (currently limited to Australia, Canada, and the United Kingdom)

- Investments in real estate located within an "urbanized area" (an area with a minimum population of 50,000 individuals according to the most recent US Census) or an "urban cluster" (an area containing at least 2,500 and fewer than 50,000 people) — except if the real estate is located within or functioning as part of an air or maritime port, or within close proximity to a military installation

- Investments in a single housing unit, including fixtures and adjacent land, as long as the land is incidental to the use of the real estate

- Leases and concessions of real estate in airports and maritime ports only where for the purpose of retail sales

- Investments in commercial office space within a multi-unit commercial office building so long as, at the completion of the transaction (1) the amount of space occupied by a foreign person is equal to 10% or less of the total square footage and (2) the ratio of a foreign person and its affiliates to the total number of tenants in the building amounts to less than 10% of the total number of tenants "based on the number of ownership, lease and concession arrangements for commercial space in the building."

9. What are the implications of the final regulations for private equity funds?

- *Principal place of business*: One important implication for private equity funds is the new definition of "principal place of business," as discussed in Question 4. The final regulations define principal place of business, in the case of a fund, as the place "where the fund's activities and investments are primarily directed, controlled, or coordinated by or on behalf of the general partner, managing

member, or equivalent." This definition clarifies for private equity funds whether a transaction is subject to CFIUS jurisdiction and seeks to ensure that a fund's principal place of business is the same across federal, state, and foreign government filings.

- *Investment fund clarification*: The final regulations retain the clarification that excludes from CFIUS's jurisdiction certain non-controlling indirect investments in TID US businesses through investment funds where (1) the fund is managed exclusively by a general partner or equivalent that is not a foreign person, (2) if there is an advisory board or committee, the foreign person does not have the ability to control investment decisions of the fund through the advisory board or committee, (3) the foreign person does not otherwise have the ability to control the investment fund, and (4) the foreign person does not have any of the triggering rights discussed in response to Question 3 (*e.g.*, board or observer rights).

10. What are emerging and foundational technologies, and why are they important?

The Final Rules continue to include "emerging and foundational technologies" in the definition of "critical technologies." The technologies that constitute emerging and foundational technologies are being determined by an interagency process, which is anticipated to result in a proposed rule for new Export Control Classification Numbers (ECCNs) on the EAR's Commerce Control List. Once these emerging and foundational technologies are identified in new ECCNs, they will become part of the CFIUS critical technology landscape.

On November 19, 2018, the Department of Commerce's Bureau of Industry and Security (BIS) published an advance notice of proposed rulemaking, seeking public comment on the criteria for identifying emerging technologies that are essential to US national security. At the time, BIS identified 14 categories of technology under consideration, including artificial intelligence; biotech; robotics; position, navigation, and timing (PNT) technology; microprocessor technology; additive manufacturing; advanced computing technology; hypersonics; and advanced surveillance technologies.

The timing of a new rule identifying emerging technologies and corresponding new ECCNs remains unclear, but its publication will be another significant development for CFIUS as well as US export control purposes.

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