

Attachment No. 20

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 LS₂ 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 LS₂'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 LS₂ staff members and subcontractors. My review of LS₂'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

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

Notice of Exempt Offering of Securities

1. Issuer's Identity

CIK (Filer ID Number)

0001869302

Name of Issuer

Summit Carbon Holdings, LLC

Jurisdiction of

Incorporation/Organization

DELAWARE

Year of Incorporation/Organization

Over Five Years Ago

Within Last Five Years (Specify Year) 2021

Yet to Be Formed

Previous Names None

SCS HoldCo I, LLC

Entity Type

Corporation

Limited Partnership

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

ALDEN

State/Province/Country

IOWA

ZIP/PostalCode

50006

Phone Number of Issuer

515-854-9820

3. Related Persons

Last Name

Rastetter

First Name

Bruce

Middle Name

Street Address 1

10640 County Highway D20

Street Address 2

City

Alden

State/Province/Country

IOWA

ZIP/PostalCode

50006

Relationship: Executive Officer 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

Kirchhoff Justin
 Street Address 1 Street Address 2
 10640 County Highway D20
 City State/Province/Country ZIP/PostalCode
 Alden IOWA 50006
 Relationship: Executive Officer 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: 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 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 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 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: <input type="checkbox"/> Executive Officer <input checked="" type="checkbox"/> Director <input type="checkbox"/> 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: <input type="checkbox"/> Executive Officer <input checked="" type="checkbox"/> Director <input type="checkbox"/> 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: <input type="checkbox"/> Executive Officer <input checked="" type="checkbox"/> Director <input type="checkbox"/> Promoter		

Clarification of Response (if Necessary):

Director of Issuer

4. Industry Group

- | | | |
|---|---|---|
| <input type="checkbox"/> Agriculture | Health Care | <input type="checkbox"/> Retailing |
| <input type="checkbox"/> Banking & Financial Services | <input type="checkbox"/> Biotechnology | <input type="checkbox"/> Restaurants |
| <input type="checkbox"/> Commercial Banking | <input type="checkbox"/> Health Insurance | Technology |
| <input type="checkbox"/> Insurance | <input type="checkbox"/> Hospitals & Physicians | <input type="checkbox"/> Computers |
| <input type="checkbox"/> Investing | <input type="checkbox"/> Pharmaceuticals | <input type="checkbox"/> Telecommunications |
| <input type="checkbox"/> Investment Banking | <input type="checkbox"/> Other Health Care | <input type="checkbox"/> Other Technology |
| <input type="checkbox"/> Pooled Investment Fund | | |

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

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

\$1 - \$1,000,000

\$1,000,001 - \$5,000,000

\$5,000,001 - \$25,000,000

\$25,000,001 - \$100,000,000

Over \$100,000,000

Decline to Disclose

Not Applicable

No Aggregate Net Asset Value

\$1 - \$5,000,000

\$5,000,001 - \$25,000,000

\$25,000,001 - \$50,000,000

\$50,000,001 - \$100,000,000

Over \$100,000,000

Decline to Disclose

Not Applicable

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

Investment Company Act Section 3(c)

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

Section 3(c)(1)

Section 3(c)(9)

Rule 504 (b)(1)(i)

Section 3(c)(2)

Section 3(c)(10)

Rule 504 (b)(1)(ii)

Section 3(c)(3)

Section 3(c)(11)

Rule 504 (b)(1)(iii)

Section 3(c)(4)

Section 3(c)(12)

Rule 506(b)

Section 3(c)(5)

Section 3(c)(13)

Rule 506(c)

Section 3(c)(6)

Section 3(c)(14)

Securities Act Section 4(a)(5)

Section 3(c)(7)

7. Type of Filing

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

Amendment

8. Duration of Offering

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

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

- Equity
- Debt
- Option, Warrant or Other Right to Acquire Another Security
- Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security
- Pooled Investment Fund Interests
- Tenant-in-Common Securities
- Mineral Property Securities
- 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 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 <input checked="" type="checkbox"/> None	
(Associated) Broker or Dealer <input checked="" type="checkbox"/> None	(Associated) Broker or Dealer CRD Number	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> All States <input type="checkbox"/> 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.



Aju Business Daily



Tuff Shed Giveaway

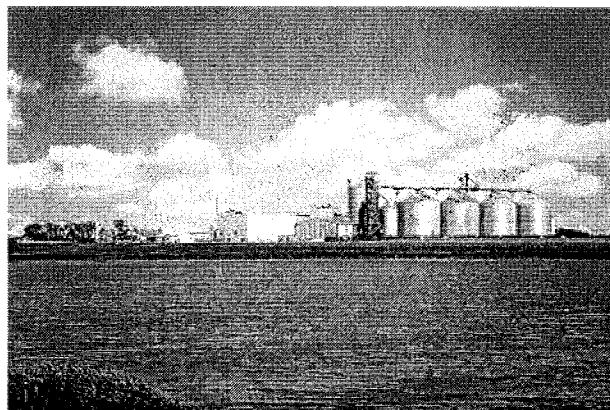
Save A Quote For A Chance To Win A Free Visit TuffShed.com for Details.

Tuff Shed

Get Qu

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

Lim Chang-won Reporter(cwlim34@ajunews.com) | 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

Latest News

more+

- Mobility expert recommends bold strategy to tur...
- Samsung rolls out all-in-one streaming discovery...
- Kakao Games ready for Odin's active overseas ex...
- KT ties up with i3DMeta to apply fast 3D image c...
- Sesame Lab founder eyes overseas markets with ...

Summit's project is aimed at capturing up to 12 million tons of carbon dioxide (CO₂) a year from 32 corn ethanol plants in five midwest states. CO₂ 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).

[▶ ×](#)

[Learn more](#)

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 CO₂ in the production process. Bioethanol produced with CCS technology can generate a carbon credit.

[▶ ×](#)

[Learn more](#)

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.



Learn more

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 : cwlim34@ajunews.com

© Aju Business Daily & www.ajunews.com Copyright: All materials on this site may not be reproduced, distributed, transmitted, displayed, published or broadcast without the authorization from the Aju News Corporation.



TOP

Related news

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

2021-03-05 17:04



Choi Shi-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>



BUSAN MEDICAL TOURISM CITY CURE&TOUR, YOU CAN DO IT AT ONCE IN BUSAN

(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



reviously 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)

hide caption



Issue Keywords

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

(URGENT) S. Korea reports 7 new COVID-19 deaths, total at 24,582: 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 embezzlement and breach of trust related to the creation of slush funds.

Choi's name was 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



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



Most Viewed All Categories

Tropical storm Aere forecast to affect southern parts of S. Korea next week



(LEAD) Heat wave alert issued nationwide



Heat wave alert issued nationwide



N. Korea blasts G-7 statement on its nuclear, missile programs, vows to bolster 'self-defense' capabilities

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



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.

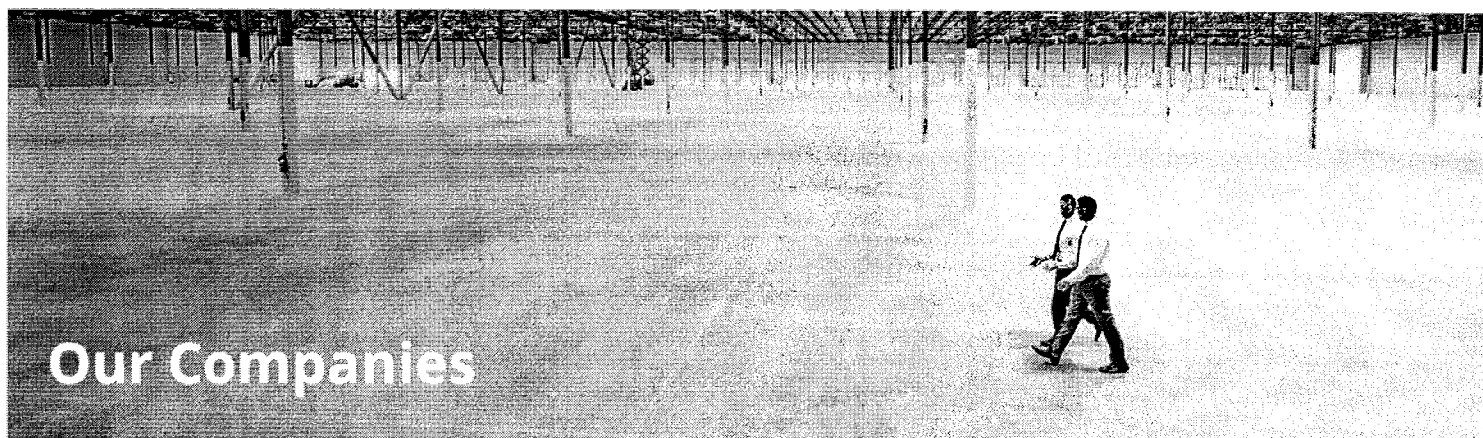
Regarding its conventional construction business, SK Ecoplant will focus on expanding eco-friendly building materials and on establishing a circular economy through the so-called 3Rs -- reduce, reuse and recycling of waste.

“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



PROJECT ON GOVERNMENT OVERSIGHT

Home > Our Work > Databases > FCMD > All Misconduct > 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...](#)

Like 0

Tweet

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	Further Information	Released
SK Holdings Co., Ltd.	\$68,380,731	Criminal Information	6/10/2020
Total	\$68,380,731	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.

About POGO

Our Work

Take Action

POGO Blog

Press Room

Contact Us

CONNECT WITH US



1100 G Street, NW Suite 500
Washington, DC 20005

OUR MISSION

Founded in 1981, the Project On Government Oversight is a nonpartisan independent watchdog that champions good government reforms. POGO's investigations into corruption, misconduct, and conflicts of interest achieve a more effective, accountable, open, and ethical federal government.

POGO's SecureDrop available via Tor:
<http://dqeasamlf3jld2kz.onion>



PROJECT ON GOVERNMENT OVERSIGHT

Home > Our Work > Databases > FCMD > All Misconduct > U.S. v. Lee (Fraudulently Obtaining 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...](#)

Like 0

Tweet

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	Further Information	Released
SK Holdings Co., Ltd.	\$0	DOJ Press Release	11/8/2018
Total	\$0	Indictment	11/8/2018

See also:

- [Fraudulent Scheme to Obtain U.S. Army Construction Contracts](#)

SK Holdings Co., Ltd.

About POGO

[Our Work](#)

[Take Action](#)

[POGO Blog](#)

[Press Room](#)

[Contact Us](#)

[Federal Contractor Misconduct Database](#)

CONNECT WITH US



1100 G Street, NW Suite 500
Washington, DC 20005

Phone: (202) 347-1122
Fax: (202) 347-1116

OUR MISSION

Founded in 1981, the Project On Government Oversight is a nonpartisan independent watchdog that champions good government reforms. POGO's investigations into corruption, misconduct, and conflicts of interest achieve a more effective, accountable, open, and ethical federal government.

POGO's SecureDrop available via Tor:
<http://dqeasamf3jld2kz.onion>

CENTER FOR DEFENSE INFORMATION AT POGO



PROJECT ON GOVERNMENT OVERSIGHT

Home > Our Work > Databases > FCMD > All Misconduct > 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...](#)

Like 0

Tweet

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	Further Information	Released
SK Holdings Co., Ltd.	\$34,079,185	Criminal Information	11/14/2018
Total	\$34,079,185	DOJ Press Release	11/14/2018
		Plea Agreement	11/14/2018

See also:

- [Rigging Bids on Department of Defense Fuel Supply Contracts – Civil Settlement](#)
SK Holdings Co., Ltd.
- [Rigging Bids on Department of Defense Fuel Supply Contracts – Civil Settlement](#)
S-Oil Corporation
- [Rigging Bids on Department of Defense Fuel Supply Contracts – Criminal Prosecution](#)
S-Oil Corporation

About POGO

Our Work

Take Action

POGO Blog

CONNECT WITH US



OUR MISSION

Founded in 1981, the Project On Government Oversight is a nonpartisan independent watchdog that champions good government reforms. POGO's investigations into corruption, misconduct, and conflicts of interest achieve a more



PROJECT ON GOVERNMENT OVERSIGHT

Home > Our Work > Databases > FCMD > All Misconduct > Rigging Bids on Department of Defense Fuel Supply Contracts – Civil Settlement



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...](#)

Like 0

Tweet

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	Further Information	Released
SK Holdings Co., Ltd.	\$90,384,872	Competitive Impact Statement	11/14/2018
Total	\$90,384,872	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](#)
SK Oil Corporation
- [Rigging Bids on Department of Defense Fuel Supply Contracts – Criminal Prosecution](#)
SK Holdings Co., Ltd.
- [Rigging Bids on Department of Defense Fuel Supply Contracts – Criminal Prosecution](#)
SK Oil Corporation

 An official website of the United States government
[Here's how you know](#) ✓



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](#)

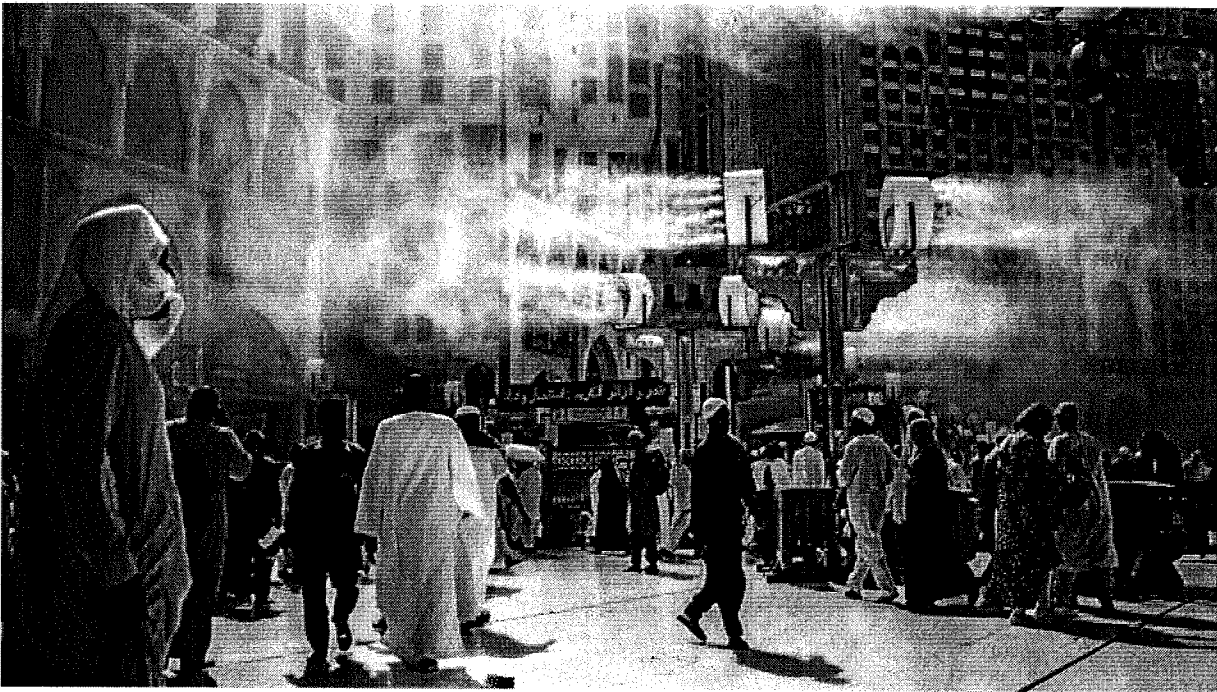
Your guide to a disrupted world

Save 33%

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

Receive free Saudi Arabia updates

We'll send you a *myFT Daily Digest* email rounding up the latest Saudi Arabia news every morning.

Enter your email address

Sign up

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.

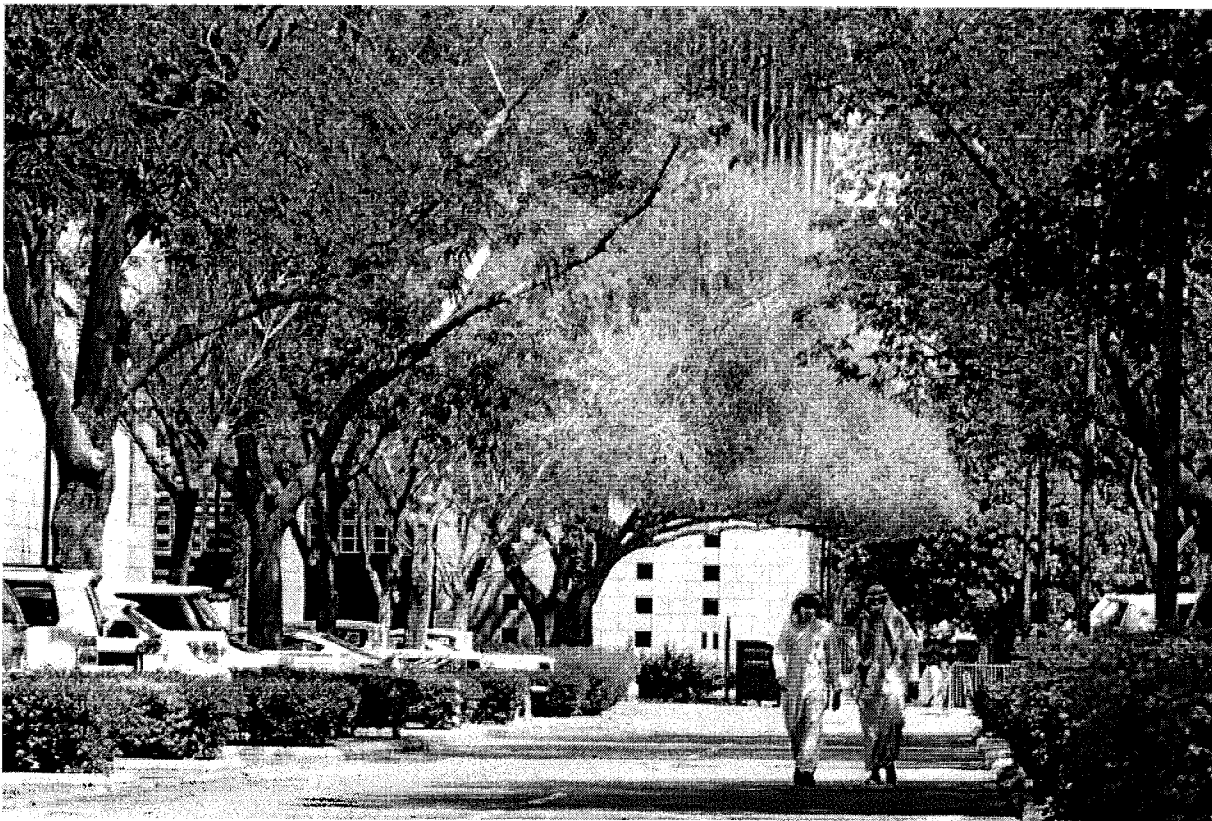
Promising that the world's top oil exporter would lead the "next green era", Prince Mohammed vowed that 50 per cent of Saudi Arabia's power generation would be provided by renewables by 2030, with the other 50 per cent fuelled by gas. Riyadh would also plant 10bn trees in the desert nation in the coming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

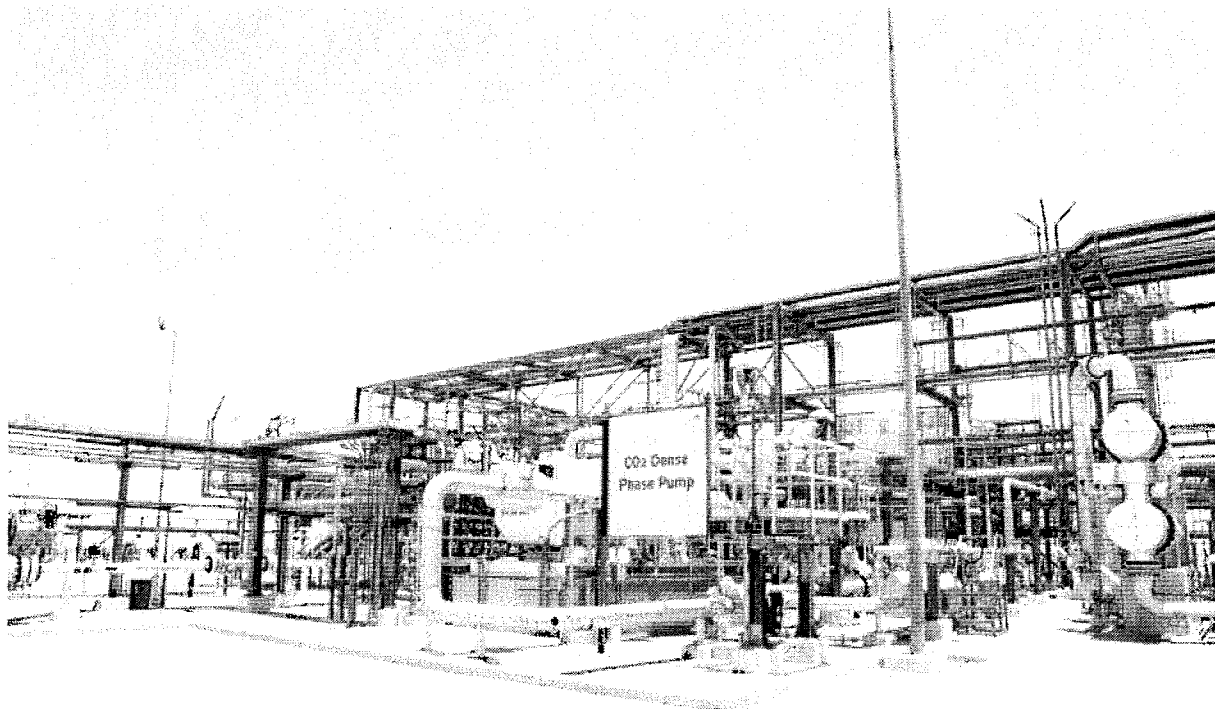
But Tim Buckley, director of energy finance studies, Australia/South Asia, at the Institute for Energy Economics and Financial Analysis, said the stop-start nature of Saudi projects had put potential investors off.

"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

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 Dan Lederman	2. Registration No. 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:

<input type="checkbox"/> partner	<input type="checkbox"/> director	<input type="checkbox"/> employee	<input checked="" type="checkbox"/> consultant
<input type="checkbox"/> officer	<input type="checkbox"/> associate	<input type="checkbox"/> agent	<input type="checkbox"/> subcontractor
<input type="checkbox"/> 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.

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.

U.S. Department of Justice

Short Form Registration Statement

Washington, DC 20530

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



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 Technology, (2) critical Infrastructure, or (3) sensitive personal Data (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 to 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 of 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 FIRREA, 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.

If you have questions about this *Client Alert*, please contact one of the authors listed below or the Latham lawyer with whom you normally consult:

James H. Barker
james.barker@lw.com
+1.202.637.2200
Washington, D.C.

Les P. Carnegie
les.carnegie@lw.com
+1.202.637.1096
Washington, D.C.

Steven P. Croley
steven.croley@lw.com
+1.202.637.3328
Washington, D.C.

Rachel K. Alpert
rachel.alpert@lw.com
+1.202.637.1008
Washington, D.C.

Annie E. S. Froehlich
annie.froehlich@lw.com
+1.202.637.2375
Washington, D.C.

Zachary N. Eddington
zachary.eddington@lw.com
+1.202.637.2105
Washington, D.C.