

**Date and Time:** Monday 30 September 2024 23:34:00 CEST

**Job Number:** 234826914

**Documents (100)**

1. [*How the Biggest Companies Score on Water Sustainability*](https://advance.lexis.com/api/document?id=urn:contentItem:5S18-H1N1-F0YC-N281-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

2. [*Who’s on the A-list for corporate water responsibility?*](https://advance.lexis.com/api/document?id=urn:contentItem:5R01-F0W1-JC6M-X3V1-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

3. [*Daimler Localizes Production in Russia With New $280Mln Mercedes-Benz Plant*](https://advance.lexis.com/api/document?id=urn:contentItem:5NVP-RJ51-F11P-X132-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

4. [*Washington: Workin'!*](https://advance.lexis.com/api/document?id=urn:contentItem:5RBN-HGB1-JDG9-Y2YD-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

5. [*A Caribbean strategy to cope with climate change*](https://advance.lexis.com/api/document?id=urn:contentItem:5PJP-M1T1-JDG9-Y214-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

6. [*EU grants €22 million in funding to research project led by Glanbia Ireland*](https://advance.lexis.com/api/document?id=urn:contentItem:5S66-9D81-F15K-22MS-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

7. [*UNDP and Italy sign agreement to support Italian G7 commitments and UN reform*](https://advance.lexis.com/api/document?id=urn:contentItem:5PJP-B5T1-JDG9-Y0MY-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

8. [*Register of Commission documents: Research for REGI Committee - Implementation of Cohesion Policy in the 2014-2020 Programming Period - January 2018 UPDATE Document date: 2018-01-18 IPOL\_BRI(2016)563425 Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RJ1-4S11-JDG9-Y1TJ-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

9. [*Navin Dissanayake, Minister of Plantation Industries : Interview*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-753S-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

10. [*FAO reaches milestone in massive famine-prevention campaign in Somalia*](https://advance.lexis.com/api/document?id=urn:contentItem:5NP6-8GW1-F0K1-N07G-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

11. [*Register of Commission documents:DRAFT REPORT on the implementation of the 7th Environment Action Programme Document date: 2017-10-26 ENVI\_PR(2017)612036 Draft reports*](https://advance.lexis.com/api/document?id=urn:contentItem:5R5J-9J41-JDG9-Y3C0-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

12. [*Palm oil: UN Environment Project and RSPO commit to supporting smallholders*](https://advance.lexis.com/api/document?id=urn:contentItem:5R1K-2791-JC6M-X1HF-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

13. [*Meeting with Government members*](https://advance.lexis.com/api/document?id=urn:contentItem:5P2D-9BN1-JDVR-01P8-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

14. [*-EBRD and EU support dairy producer Padjeni in Bosnia and Herzegovina*](https://advance.lexis.com/api/document?id=urn:contentItem:5RX8-Y6R1-JD3Y-Y3R7-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

15. [*FEDERAL REGISTER: Grand Mesa, Uncompahgre and Gunnison National Forests; Delta , Garfield , Gunnison, Hinsdale, Mesa, Montrose, Ouray, Saguache and San Miguel Counties; Colorado ; Assessment Report of Ecological, Social and Economic Conditions, Trends and Sustainability for the Grand Mesa, Uncompahgre and Gunnison National Forests Pages 25764 - 25765 [FR DOC # 2017-11482]*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-9YV1-F0YC-N4MT-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

16. [*Register of Commission documents:Instrument for Pre-accession Assistance (IPA II) Document date: 2017-05-30 EPRS\_BRI(2017)603957 Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-B041-JDG9-Y38H-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

17. [*- WB - Philippines ' Poverty Rate Declines More Well-Paying Jobs and Opportunities Needed*](https://advance.lexis.com/api/document?id=urn:contentItem:5SFD-PPY1-F0K1-N105-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

18. [*Register of Commission documents:DRAFT REPORT on the Future of Food and Farming Document date: 2018-02-20 AGRI\_PR(2018)618154 Draft reports*](https://advance.lexis.com/api/document?id=urn:contentItem:5RRR-NPX1-F0YC-N2J3-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

19. [*Anglo Asian Mining PLC Final Results -2-*](https://advance.lexis.com/api/document?id=urn:contentItem:5SD8-4PK1-JCXB-215R-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

20. [*Washington: TEXT OF AMENDMENTS*](https://advance.lexis.com/api/document?id=urn:contentItem:5P5V-MX51-JDG9-Y046-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

21. [*- CASSINI RESOURCES LIMITED - ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5S8G-CS51-JD3Y-Y07R-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

22. [*Council of the European Union: ERAC Opinion on the Interim Evaluation of Horizon 2020 and preparations for the next Framework Programme ST 1207 2017 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5PDW-MHV1-JDG9-Y06P-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

23. [*Register of Commission documents: Region Annex 6 Enhancing the Capacity of AHA Centre Document date: 2017-07-28 COM-AC\_DR(2017)D051788-02(ANN06) Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5PKK-HMD1-F0YC-N3JT-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

24. [*MWD Advisors publishes favorable in-depth review of Trisotech 's Digital Enterprise Suite*](https://advance.lexis.com/api/document?id=urn:contentItem:5PH7-4BP1-JD3Y-Y39J-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

25. [*mCig definitive joint venture with FarmOn Foundation at Empire Farm, growing Organic Industrial Hemp in New York State*](https://advance.lexis.com/api/document?id=urn:contentItem:5R2V-5381-JD3Y-Y0JM-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

26. [*Nestlé Indonesia - Q4 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5PMX-NV21-F0J5-830W-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

27. [*Register of Commission documents: FT OPINION on the next MFF: Preparing the Parliament’s position on the MFF post-2020 Document date: 2017-09-28 CONT\_PA(2017)606021 Draft opin*](https://advance.lexis.com/api/document?id=urn:contentItem:5R13-MJ01-F0YC-N2R0-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

28. [*Register of Commission documents: Draft Commission Implementing Decision on the 2017 Annual Action Programme in favour of Cuba Document date: 2017-07-04 COM-AC\_DR(2017)D052017-01(ANN01) Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5PDW-MHD1-JDG9-Y374-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

29. [*Agricultural developments set to stimulate growth in Peru*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-72XK-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

30. [*Register of Commission documents: European Maritime and Fisheries Fund Document date: 2017-06-15 EPRS\_BRI(2017)607254 Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5NYF-9F71-F0YC-N348-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

31. [*Washington: Fact Sheet: The United States and India — Prosperity Through Partnership*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-B081-JDG9-Y27F-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

32. [*Ukraine : Lviv Region media highlights 28 Apr-4 May 18*](https://advance.lexis.com/api/document?id=urn:contentItem:5S9K-KC01-DYRV-301P-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

33. [*Prairie Mining Limited 2017 Annual Report*](https://advance.lexis.com/api/document?id=urn:contentItem:5PKR-24P1-JCXB-21KK-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

34. [*- Sadara the World's Largest Chemicals Complex Built in a Single Phase, Commemorates Commissioning of All 26 Plants*](https://advance.lexis.com/api/document?id=urn:contentItem:5P87-2X71-F0K1-N36Y-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

35. [*Infrastructure Services Committee round-up*](https://advance.lexis.com/api/document?id=urn:contentItem:5R6N-BG51-F0YC-N04S-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

36. [*Register of Commission documents: European Parliament resolution of 6 July 2017 on promoting cohesion and development in the outermost regions of the EU: implementation of Article 349 of the TFEU (2016/2250(INI)) Document date: 2017-07-06 P8\_TA-PROV(2017)0316 Texts adopted (provisional edition*](https://advance.lexis.com/api/document?id=urn:contentItem:5P97-J9Y1-JDG9-Y0M4-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

37. [*Council of the European Union: JOINT STAFF WORKING DOCUMENT Report on EU-JORDAN relations in the framework of the revised ENP ST 10319 2017 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5P6G-K791-JDG9-Y4BG-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

38. [*Anglo Asian Mining reports 2017 financial results*](https://advance.lexis.com/api/document?id=urn:contentItem:5SDC-B8W1-JC0X-H4J5-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

39. [*The rise - and potential - of certified transitional organic in US*](https://advance.lexis.com/api/document?id=urn:contentItem:5PHY-32V1-JDNW-40J8-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

40. [*Register of Commission documents: 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC Document date: 2017-09-26 COM\_SWD(2017)0314 SEC docume*](https://advance.lexis.com/api/document?id=urn:contentItem:5R13-MJ01-F0YC-N2PR-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

41. [*Vietnam , New Zealand agree to boost all-round co-operation*](https://advance.lexis.com/api/document?id=urn:contentItem:5S2R-VMJ1-F17J-S4SP-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

42. [*- ALLIANCE GROWERS PARTNERS WITH GERMAN LICENSED PRODUCER APPLICANT*](https://advance.lexis.com/api/document?id=urn:contentItem:5NRH-3C91-F0K1-N4S7-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

43. [*Register of Commission documents: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions My region, My Europe, Our future: The 7th report on economic, social and territorial cohesion Document date: 2017-10-09 COM\_COM(2017)0583 COM documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5R36-J7G1-F0YC-N0X4-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

44. [*Washington: COUNTERING IRAN 'S DESTABILIZING ACTIVITIES ACT OF 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-9YR1-F0YC-N1NR-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

45. [*Washington: EXECUTIVE SESSION*](https://advance.lexis.com/api/document?id=urn:contentItem:5RCY-C991-JDG9-Y300-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

46. [*Register of Commission documents: Annex Document date: 2017-06-20 COM-AC\_DR(2017)D051652-02(ANN01) Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5P2N-7J01-JDG9-Y1H8-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

47. [*-Senior Leadership appointments announced at the African Development Bank*](https://advance.lexis.com/api/document?id=urn:contentItem:5PBS-R7B1-JD3Y-Y03J-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

48. [*Register of Commission documents: Report from the Commission to the European Parliament and the Council Annual Report on the Implementation of the European Union's Instruments for Financing External Actions in 2016 Document date: 2018-03-12 COM\_COM(2018)0123 COM documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5S18-H1N1-F0YC-N252-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

49. [*Council of the European Union: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking ST 5282 2018 ADD 4*](https://advance.lexis.com/api/document?id=urn:contentItem:5RGX-Y7T1-F0YC-N3K0-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

50. [*- Consumers Energy Foundation Supports Regional Food Processing Program's Launch*](https://advance.lexis.com/api/document?id=urn:contentItem:5PVV-YYB1-F0K1-N476-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

51. [*Washington: PROVIDING FOR CONSIDERATION OF H.R 3017, BROWNFIELDS ENHANCEMENT, ECONOMIC REDEVELOPMENT, AND REAUTHORIZATION ACT OF 2017, AND PROVIDING FOR CONSIDERATION OF H.R 3905, MINNESOTA 'S ECONOMIC RIGHTS IN THE SUPERIOR NATIONAL FOREST ACT*](https://advance.lexis.com/api/document?id=urn:contentItem:5R36-J7R1-JDG9-Y3DS-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

52. [*Register of Commission documents:Written answer : EU institutional demand for space Document date: 2017-07-05 P8\_RE(2017)002538 Answers to written questions*](https://advance.lexis.com/api/document?id=urn:contentItem:5PBB-4221-JDG9-Y17B-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

53. [*Nkrumahism, Agenda 2063, and the Role of Intergovernmental Institutions in Fast-tracking Continental Unity*](https://advance.lexis.com/api/document?id=urn:contentItem:6BH2-VXY1-JBMY-H429-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

54. [*Register of Commission documents: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking Document date: 2018-01-11 COM\_SWD(2018)0006 SEC documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5RG2-V641-F0YC-N2B0-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

55. [*Major National Review Recommends Ways Of Ending Hunger In Uganda*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-9YX1-F0YC-N4H2-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

56. [*Council of the European Union: COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking ST 5282 2018 ADD 2*](https://advance.lexis.com/api/document?id=urn:contentItem:5RGX-Y7T1-F0YC-N3JX-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

57. [*How North Korea could be using algae to fight sanctions*](https://advance.lexis.com/api/document?id=urn:contentItem:5PT3-9GD1-F021-61KF-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

58. [*Top news from Polish politics, economy, business & financial markets - 19:30 BUSINESS & EQUITY MARKET NEWS*](https://advance.lexis.com/api/document?id=urn:contentItem:64R9-6WS1-JCG5-H08F-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

59. [*Business - Foyle Food Group grows turnover £300m*](https://advance.lexis.com/api/document?id=urn:contentItem:5PJR-4YT1-DYX1-J0T1-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

60. [*Washington: COUNTERING IRAN 'S DESTABILIZING ACTIVITIES ACT OF 2017--MOTION TO PROCEED*](https://advance.lexis.com/api/document?id=urn:contentItem:5NRR-RM31-JDG9-Y3NW-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

61. [*Register of Commission documents: MISSION REPORT following the Committee mission to Slovenia , from 3 to 5 April 2018 Document date: 2018-04-11 REGI\_CR(2018)620838 Mission reports*](https://advance.lexis.com/api/document?id=urn:contentItem:5S5N-W8W1-JDG9-Y4JN-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

62. [*Register of Commission documents: The EU's beekeeping sector beekeeping sector Document date: 2017-10-24 EPRS\_ATA(2017)608786 At a glance*](https://advance.lexis.com/api/document?id=urn:contentItem:5R5J-9J41-JDG9-Y3B5-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

63. [*Boon or bane for development? Turkey ’s central state bureaucracy and the management of public investment*](https://advance.lexis.com/api/document?id=urn:contentItem:6BGY-HK51-JBMY-H3PD-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

64. [*US Tariff Announcement Underlines Risk Of Trade War Escalation*](https://advance.lexis.com/api/document?id=urn:contentItem:5SFF-SBG1-JD33-J2HK-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

65. [*How can urban and local leadership teams navigate the impending international relations revolution? A practitioner viewpoint*](https://advance.lexis.com/api/document?id=urn:contentItem:6BNK-C111-DY41-73XD-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

66. [*- Colombian farmers move from coca to coffee with Starbucks support*](https://advance.lexis.com/api/document?id=urn:contentItem:5P0R-3XT1-JD3Y-Y283-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

67. [*Moody's affirms Oxea B3 CFR, changes the outlook to positive*](https://advance.lexis.com/api/document?id=urn:contentItem:5PJP-B5X1-F0YC-N3B1-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

68. [*Ivanhoe Mines announces positive findings from independent DFS of Platreef mine*](https://advance.lexis.com/api/document?id=urn:contentItem:5P57-YWM1-JC0X-H4KN-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

69. [*Register of Commission documents: Annex Comprehensive list of actions to the COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK A stronger and renewed strategic partnership with the EU's outermost regions Document date: 2017-10-25 COM\_COM(2017)0623(ANN01) COM documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5R65-4NS1-F0YC-N1FP-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

70. [*Secretary of State Rex Tillerson CONFIRMS Kim has tested North Korea 's first ICBM that is capable of reaching Alaska as the US requests closed-door meeting with the UN security council*](https://advance.lexis.com/api/document?id=urn:contentItem:5NY3-BD91-JCJY-G3NF-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

71. [*- Leigh Creek Energy Limited - Pre Commercial Demonstration Stage on target for 2017 operation*](https://advance.lexis.com/api/document?id=urn:contentItem:5NRR-2MJ1-F0K1-N4JB-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

72. [*USDA effort to maintain integrity of organic imports questioned*](https://advance.lexis.com/api/document?id=urn:contentItem:5PWX-23J1-DYNP-M1RP-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

73. [*Register of Commission documents: Commission staff working document Long-term sustainability of Research Infrastructures Document date: 2017-09-26 COM\_SWD(2017)0323 SEC documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5R13-MJ01-F0YC-N2R7-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

74. [*Washington: WILDLIFE INNOVATION AND LONGEVITY DRIVER ACT*](https://advance.lexis.com/api/document?id=urn:contentItem:5NRW-K9R1-F0YC-N0VV-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

75. [*North American Income Trust (The) Annual -5-*](https://advance.lexis.com/api/document?id=urn:contentItem:5S03-T891-JCXB-2303-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

76. [*- CanniMed to Acquire Up Cannabis Inc. - to Create a Premier Global Cannabis Company*](https://advance.lexis.com/api/document?id=urn:contentItem:5R14-CPM1-JD3Y-Y2BS-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

77. [*USDA effort to maintain integrity of organic imports questioned*](https://advance.lexis.com/api/document?id=urn:contentItem:5PTJ-JF91-JC6M-X1G4-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

78. [*Architectural design studio on sustainable tourism alternatives in the San Antonio Missions Historic District*](https://advance.lexis.com/api/document?id=urn:contentItem:6BM4-FYP1-JBMY-H068-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

79. [*Washington: EXECUTIVE CALENDAR--Continued*](https://advance.lexis.com/api/document?id=urn:contentItem:5PTJ-KCY1-F0YC-N4Y3-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

80. [*Ireland 2040: Promise to restart projects stalled in downturn*](https://advance.lexis.com/api/document?id=urn:contentItem:5RNK-M6M1-F0BB-S29H-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

81. [*Foyle Food Group grows turnover £300m*](https://advance.lexis.com/api/document?id=urn:contentItem:5PKC-XHW1-JCDY-V1W7-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

82. [*Apec looks at food security amidst climate change*](https://advance.lexis.com/api/document?id=urn:contentItem:5S2R-VM51-F17J-S397-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

83. [*USDA effort to maintain integrity of organic imports questioned*](https://advance.lexis.com/api/document?id=urn:contentItem:5PX3-99R1-JC6M-X2H6-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

84. [*- Fortune Minerals Provides NICO Project Update*](https://advance.lexis.com/api/document?id=urn:contentItem:5PB4-TMP1-JD3Y-Y02G-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

85. [*wASHINGTON: PETITIONS AND MEMORIALS*](https://advance.lexis.com/api/document?id=urn:contentItem:5PG5-BBV1-F0YC-N3DM-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

86. [*Million-rouble idea won by agrobot robotic tractors*](https://advance.lexis.com/api/document?id=urn:contentItem:5RCC-JH91-F03F-D40S-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

87. [*-S&W Seed co. Announces Second Quarter Fiscal 2018 Financial Results*](https://advance.lexis.com/api/document?id=urn:contentItem:5RMK-10W1-JD3Y-Y3PF-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

88. [*- Berkeley Energia Limited - Quarterly Report September 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5PV6-2SC1-JD3Y-Y2D0-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

89. [*Putin discusses development of Lake Baikal area*](https://advance.lexis.com/api/document?id=urn:contentItem:5P69-P971-DYRV-301C-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

90. [*Council of the European Union: Proposal for a COUNCIL DECISION concerning the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil ST 10632 2017 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5P6G-K7B1-JDG9-Y0RW-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

91. [*Washington: EXECUTIVE CALENDAR*](https://advance.lexis.com/api/document?id=urn:contentItem:5RCR-XKM1-F0YC-N05V-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

92. [*Register of Commission documents:to the Commission Implementing Decision adopting a Single Support Framework for European Union support to the Republic of Moldova for the period 2017-2020 Document date: 2017-08-09 COM-AC\_DR(2017)D051945-03 Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5PPC-1X01-F0YC-N445-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

93. [*Council of the European Union:Commission staff working document: Summary of Executive summaries Internal audit engagements finalised by the IAS in 2016 Accompanying the document Report from the Commission to the European Parliament and the Council Annual report to the Discharge Authority on Internal audits carried out in 2016 (Art 99(5) of the Financial Regulation) ST 12267 2017 ADD 1*](https://advance.lexis.com/api/document?id=urn:contentItem:5R13-FF01-JDG9-Y3H1-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

94. [*Washington: FURTHER SUPPLEMENTAL APPROPRIATIONS ACT, 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5R8R-X2Y1-JDG9-Y02D-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

95. [*Council of the European Union: Outcome of meeting - 3552nd Council meeting - GENERAL AFFAIRS- Luxembourg , 20 June 2017 ST 10502 2017 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-B041-F0YC-N311-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

96. [*Council of the European Union: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking ST 5282 2018 ADD 3*](https://advance.lexis.com/api/document?id=urn:contentItem:5RGX-Y7T1-F0YC-N3JY-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

97. [*Cassini posts quarterly activities report for period ended March 31, 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5S7P-06X1-JC0X-H09G-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

98. [*Washington: Fortune 500*](https://advance.lexis.com/api/document?id=urn:contentItem:5S2H-CX81-JDG9-Y4SH-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

99. [*Washington: TEXT OF AMENDMENTS*](https://advance.lexis.com/api/document?id=urn:contentItem:5PH8-R471-F0YC-N319-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

100. [*Washington: TEXT OF AMENDMENTS*](https://advance.lexis.com/api/document?id=urn:contentItem:5PSN-RN71-JDG9-Y4D8-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

**Search Type:** Terms and Connectors

**Narrowed by:**

|  |  |
| --- | --- |
| **Content Type** | **Narrowed by** |
| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |



# [***-EBRD and EU support dairy producer Padjeni in Bosnia and Herzegovina***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RX8-Y6R1-JD3Y-Y3R7-00000-00&context=1516831)

ENP Newswire

March 20, 2018 Tuesday

Copyright 2018 Normans Media Limited All Rights Reserved



**Length:** 957 words

**Body**

EBRD and EU support dairy ***producer*** Padjeni in Bosnia and Herzegovina.

EUR20 million in credit lines for SMEs to meet EU standards

Nenad Vukoje and his wife started to ***produce*** yoghurt in Bileca in Bosnia and Herzegovina 18 years ago. They invested in a military cauldron and a yoghurt cup filler, rented some small premises of 30 square metres and ***produced*** around 150 litres each day.

'We did not have any employees, it was just our family,' said Mr Vukoje. 'It was through hard work and our ambition to succeed that we managed to increase our capacity every year. We purchased more equipment step by step until 2002 when we decided to build a new facility.'

The family continued to build its business and successfully expand production. Last year Padjeni invested more than BAM 1.6 million (equivalent to about EUR800,000) and, for example, started to establish lacto-freeze stations for collecting raw milk.

Padjeni is one of almost 60 companies that have already benefited from an EBRD ***programme*** with the European Union (EU) to make small and medium-sized enterprises (SMEs) in Bosnia and Herzegovina more competitive locally and regionally as well as on the European and global markets.

The EBRD provides a total of EUR20 million in credit lines to participating banks for on-lending to businesses such as Padjeni. These funds help the companies to make investments to comply with EU directives in the fields of environmental protection, occupational health and safety, and product quality and safety.

The EU supports this project with EUR4 million in funding to provide advice on equipment and technologies as well as incentive payments to businesses on successful completion of their upgrades.

A boost to the local economy

Padjeni's success is benefiting the whole local economy: it has grown to more than 100 employees and works closely with up to 1,000 farming cooperatives, providing important job opportunities in the local ***agriculture*** sector.

'All our technical equipment is new and high-tech - we must invest in new technologies and products to survive in the market,' Mr Vukoje said. 'The processing cycle is completely closed and constantly monitored using the HACCP management system and internal controls. Apart from our own lab, all our products are controlled in authorised external ones.'

Milk and dairy are among the most delicate ***agricultural*** products and require intense control, he explained. Two ***agricultural*** engineers work closely with Padjeni's dairy suppliers in the field to ensure the raw milk they supply is to the required quality.

Furthermore, four technicians monitor the production so that each product is safe and meets high standards.

Padjeni's current dairy facility processes around 40,000 litres of milk for 30 end products, including some made of sour milk (yogurts, spreads), soft cheeses, mature cheeses, as well as traditional products ('sack' clotted cream or 'torotan' cheese).

Seizing trade opportunities with the EU

'Our ***plan*** is to continue to expand our business, primarily on the local market, but also in neighbouring countries, the EU and elsewhere,' Mr Vukoje explained. 'It is important for us to adjust our production to the target markets, listen to new demands and adapt quickly to them.'

In 2017 Padjeni ***planned*** to increase the processing and sales of its products by over 20 per cent and exceeded this goal by more than 9 per cent.

'This is a great success for us. We will build on this and soon start various new activities to reach out to new markets,' he added.

For now, the dairy products are sold in Bosnia and Herzegovina and Montenegro, but the company also obtained a permit to export them to the EU as of 2016.

'A ***programme*** like this one by the EBRD and EU is very important for our future development,' he said. 'It provides a boost to new investments and new technologies, which are crucial elements to support both our business and our country's economy.'

'We provide SMEs with much-needed access to finance to make the necessary investments to become more competitive, which in turn creates new employment and economic opportunities,' said Ian Brown, Head of the EBRD's office in Bosnia and Herzegovina.

'This is one of many ways in which the EBRD supports the country's economy, which includes both support for businesses as well as investments into ***strategic*** transport links.'

Andrea Vera, Head of Operations Section for Economic Development, Trade, Infrastructure and Natural Resources at the EU Delegation to Bosnia and Herzegovina, highlights the need for Bosnia and Herzegovina to improve its business climate and create opportunities for economic recovery.

'This ***programme*** represents a continued EU effort to help Bosnia and Herzegovina in tackling the obstacles that hamper development of SMEs, which are the backbone of the economy.

'The EU has provided up to EUR60 million to support the SME sector in the country over the past 15 years. With our technical assistance and grant funding, SMEs have received tangible support to grow in competitive sectors such as tourism, agro-processing, and the wood and metal industries,' he said.

Social impact

Padjeni is proud to support its local community, around 250 households in 15 settlements. The company's support includes, for example, a water-supply project worth more than BAM 1.5 million (equivalent to about EUR770,000), which is currently being finished in cooperation with the local authorities.

This project will ensure that more than 50 kilometres of the local water network and several pumping stations will function without difficulty, Mr Vukoje explained.

'I am very happy about this because our community has believed in it since the very beginning.'

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** March 20, 2018

**End of Document**



[***-Senior Leadership appointments announced at the African Development Bank***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PBS-R7B1-JD3Y-Y03J-00000-00&context=1516831)

ENP Newswire

August 28, 2017 Monday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 2440 words

**Body**

The African Development Bank Group is pleased to announce the appointment of Dr. Victor B. Oladokun as the Director for Communication and External Relations with effect from 1st September 2017.

Dr. Victor Oladokun is a citizen of Great Britain. He is a highly accomplished communications and media practitioner with more than 25 years of demonstrated expertise in public relations, corporate branding, journalism, broadcasting, ***strategic*** communications consulting, leadership development, executive coaching, and as an adjunct professor. He has garnered rich experience with leading conglomerates and non-governmental organizations in the United States and Africa, as well as strong cross-cultural experiences having worked on several projects in almost 30 countries in North America, Europe, Africa, Asia, the Middle East, Latin America, and the Caribbean.

Dr. Oladokun joins the African Development Bank from 3D Global Consult, a media and communications consulting firm in Nigeria, where he has been the Chief Executive Officer since 2012. He has been responsible for strategy formulation, operational management, high-level client liaison as well as new business development.

Early in his career, he worked at Cadbury Nigeria Plc., first as Publications Manager, then Media Relations Manager, and later as Ag. Corporate Affairs Manager from 1983 and 1986. In those roles, he developed and ***produced*** all ***strategic*** in-house media communications while distributing all external local and international news releases.

From 1986 to 1987, he worked as the Group Public Relations Manager/Spokesperson for the A.G. Leventis Group of Companies, Lagos, Nigeria, where he was responsible for developing and providing oversight of ***strategic*** communication and public relations ***plans*** for a group of companies.

Between 1990 and 2009, he worked as a news journalist, international TV host, ***Producer***, Senior ***Producer***, and later as Managing ***Producer*** at CBN International, Virginia Beach, USA. His accountabilities included TV ***programming*** content and productions; providing leadership oversight of multiple production teams in the United States, South Africa, and Nigeria, in addition to monitoring global media and communication trends.

He thereafter became Adjunct Professor at Bethel College, Hampton, Virginia, USA, before joining 3D Global Consult.

Dr. Oladokun holds a Doctorate degree in of ***Strategic*** Leadership (DSL) from Regent University, Virginia Beach, USA; a Certificate of Advanced Graduate Studies in Leadership: Regent University, USA; a Master of Arts in Communication from Regent University, USA; and a Bachelor of Arts degree in History/Political Science from the University of Ife, Nigeria.

Speaking about Dr. Victor Oladokun's appointment, the President of the African Development Bank Group, Dr Akinwumi A. Adesina said: 'Victor Oladokun brings to the Bank strong leadership skills and international reputation as a globally respected media executive. Victor has a solid track record of developing innovative, result-oriented media and communication solutions. He will strengthen the department and build the critical internal and external communications capacities for the Bank, as we ramp up our engagements across Africa and globally.'

Dr Abdu Mukhtar: Director, Industrial And Trade Development

The African Development Bank Group is pleased to announce the appointment of Dr. Abdu Mukhtar as the Director for Industrial and Trade Development with effect from 28th September 2017.

Dr. Mukhtar is a citizen of the United States of America, and joins the Bank from the Dangote Group of Industries, Nigeria, where he has been the Group Chief Strategy Officer since 2014. In that role, he has assisted the Group President in setting overall ***strategic*** direction for the Company and overseeing key aspects of the ***strategic*** ***planning*** processes for the group, business units, subsidiaries and associated companies. He has also played a key role in driving major activities, projects and initiatives of the Company, including expansion of cement manufacturing into 18 African countries, a multi-billion dollar Oil Refinery and Petrochemical Plant, plus key joint ventures in Power, Oil & Gas as well as ***Agriculture*** Sectors.

Dr. Mukhtar started his career as a Medical Officer at the Ministry of Health in Kano in 1991, and later worked as a Research Associate at the Boston University Medical Centre in the United States of America where he performed groundbreaking research in the Pulmonary Center and cloned a human gene.

He returned to Nigeria following a two-year tenure as a Management Consultant in the United States. Between 2003 and 2007 he worked at the Bureau of Public Enterprises in the Presidency - Abuja, Nigeria, as Transaction Advisor and Special Assistant to the Director General, then as Senior Special Assistant to the Minister on Economic Matters in the Federal Capital Territory Administration in Abuja, where he implemented key aspects of the government's economic reform ***program***. He was Chairman of the Ad Hoc Committee on the sale of federal government houses thereby raising funds and laying the foundation for Nigeria's mortgage system.

Between 2007 and 2011, he worked as the Group Managing Director and Chief Executive Officer at Abuja Investments Company Limited, a Holding Company of the Federal Capital Territory Administration that provides the interface with the Private Sector and manages Government's assets and investments in portfolio companies. In this role he provided ***strategic*** direction, managed day-to-day operations and chaired the boards of a dozen portfolio companies in diverse sectors. He partnered with both domestic and international investors to develop and execute public private partnerships to deliver outstanding profitable growth as well as the implementation of major Real Estate Development projects. He was nominated Nigeria's CEO of the Year in 2008 by This Day Newspapers.

Dr. Mukhtar holds a Doctor of Medicine degree from the Ahmadu Bello University School of Medicine, Zaria, Nigeria; a Doctor of Philosophy Degree in Pathology and Laboratory Medicine from the Boston University School of Medicine, USA; a Master in Business Administration from the Harvard Business School, Cambridge, Massachusetts, USA; and a Master in Public Administration degree from Harvard Kennedy School, Cambridge, Massachusetts, USA. He was an Archbishop Tutu Leadership Fellow and the recipient of several international awards.

Commenting on Dr. Mukhtar's appointment, African Development Bank President Dr. Akinwumi Adesina said: 'Abdu Mukhtar is a world-class and consummate professional, with strong entrepreneurial skills and a well demonstrated track record of delivering outstanding results in developing trade and industrialization in Africa. Abdu's expertise and experience in structuring successful public-private partnerships will support the Bank as it rolls out its work to support the industrialization agenda of African countries.'

Mr. Trevor de Kock: Director, Financial Management

The African Development Bank is pleased to announce the appointment of Mr. Trevor de Kock as Director Financial Management with effect from 1st July 2017.

A South African national, Trevor is a seasoned professional with more than 25 years of experience in banking, development finance, and treasury and risk management.

Mr. de Kock joined the Bank in 1999 as Division Manager, Financial Technical Services Division, in the Treasury Department, where he was responsible for supporting the development and roll-out of the Bank's market-based lending products. In 2007 he moved to the Financial Management Department as Division Manager, Treasury Risk Management with the overall responsibility for treasury compliance and risk reporting, treasury risk analytics and treasury information systems. He has also been Officer-in-Charge of the Financial Management Department since December 2012, which also has responsibility for the overall asset and liability management of the Bank, including the Bank's Income Model and financial sustainability assessments and projections, interest rate, currency and liquidity risk management and the development of financial policies.

Mr. de Kock has been involved with a number of Bank initiatives including: leading the development of the Bank's first Policy on Guarantees, the introduction of Risk Management Products, the framework for Lending in Local Currencies as well as various task forces and the sixth General Capital Increase of the Bank.

He initially trained as a physicist and started his career in laser research where he worked for a period of seven years. He then made a career change and moved into the treasury field, first at a commercial bank and then with the Development Bank of Southern Africa, prior to joining the African Development Bank.

Mr. de Kock holds a Master of Science in Physics from Rhodes University, South Africa, and a Masters of Business Administration from the University of Pretoria, South Africa.

President Akinwumi Adesina commented, 'Trevor has been a well-tested hand at the Bank, with extensive experience in treasury, risk and financial management. His strong experience in formulating the Bank's annual Medium Term Financial Outlook and the monitoring of the Bank's financial health as well as sustainability will be very useful in this role.'

Ms. Omobola Hollist: Director, Financial Controls

The African Development Bank is pleased to announce the appointment of Ms. Omobola Hollist as Director, Financial Control Department with effect from 1st August 2017.

Ms. Hollist, a Nigerian national, brings to the role over 30 years of experience in the financial sector. Until this appointment, she was Manager of Disbursements since March 2007 and Acting Director, Financial Control Department, since October 2015.

In her current roles, she has overseen the preparation of the Bank Group financial reports, ensured the maintenance of high fiduciary standards in Bank Group financed projects, and formulated and administered a broad range of financial policies and procedures relating to loan and grant administration.

She joined the African Development Bank in 1991 as a Loan Accounting Officer in the Loan Accounting & Statistics Division and managed a portfolio of loans/grants for a group of assigned countries.Between 1997 and 2001, she worked as Chief Financial Statistician in the Loan Accounting & Statistics Division. In addition to designing models to analyze and report on the Bank Group portfolio, she led the implementation of an integrated Treasury and Loan Management system for the Bank and was instrumental in the migration of over 30 years of the Project and Loan data and processes from a legacy system to an ERP system (SAP).

From 2001 to 2007, Ms. Hollist was Manager of the Loan Accounting and Statistics Division and in that role led a continuous review of business processes to enhance efficiency and internal controls through increased automation of processes.

Ms. Hollist started her career at Coopers & Lybrand, Lagos, Nigeria, in 1984 as a Management Consultant. Between 1987 and 1990, she worked for the Nigeria International Bank (Citibank) in several capacities. First, as Relationship Manager, then as Product Manager - Corporate Finance, and later, as Head of the Financial Institutions unit. During this period, she developed and obtained regulatory approval for a debt/debt ***program*** and led a comparative analysis for Nigerian banks resulting in the establishment and monitoring of exposure limits for the bank.

Ms. Hollist holds an MBA (Finance) degree from the CASS Business School, City University of London, United Kingdom and Bachelor of Science (Mathematics and Economics) degree from Newcastle University, Newcastle upon Tyne, United Kingdom.

Commenting on this appointment, President Akinwumi Adesina said, 'Omobola is a seasoned and well-accomplished professional with extensive experience within the Bank. She brings solid knowledge and experience on financial controls, passion, energy and proven thought-leadership to this critical role at the Bank. We are proud of her career track record in the Bank as well as her dependability. I have no doubt that she will be very successful in this role.'

Mr. Jacques Edjangue: Director, Language Services

The African Development Bank is pleased to announce the appointment of Mr. Jacques Edjangue as Director, Language Services Department, with effect from 1st September 2017.

Mr. Edjangue is a Cameroonian national and has been the Manager, French Translation Division, since 2011. He joined the African Development Bank as Senior Translator in 2002. He was appointed Principal Reviser in 2007 before becoming a Manager.

He started his career in 1989 as an Intern at the Presidency of the Republic in Cameroon. After 6 years in several Departments of the Cameroon public service, he joined the United Nations Economic Commission for Africa as a Consultant. In 1998, he was appointed Language and Conference Section Head at the International Panel of Eminent Personalities Secretariat set up by the African Union Assembly of Heads of States and Government. Between 1999 and 2000, Mr. Edjangue served as personal Interpreter to Sir Ketumile Masire, former President of Botswana and Facilitator of the Democratic Republic of Congo peace process. In 2000, he was appointed Deputy Director and Deputy Permanent Representative at the International Organization of la Francophonie. In this capacity, he represented the organization to the United Nations Economic Commission for Africa and to the African Union in Addis Ababa, Ethiopia, where he spearheaded several ***programs*** and initiatives aimed at promoting multilingualism and cultural diversity in both organizations.

Mr. Edjangue holds an MBA from the Colorado State University, USA; a Master Degree in Interpretation from the University of Buea, Cameroon; a Master Degree in Translation from the Buea University Center, Cameroon; a Language and Literature Certificate from the University of East Anglia, United Kingdom; and a Maitrise in Afro-American Literature from the University of Yaounde I, Cameroon.

President Akinwumi Adesina had this to say about Mr. Edjangue's appointment: 'I am delighted to appoint an individual with broad and deep experience in the critical areas of the department, particularly as a Translator, Interpreter and Reviser. Jacques brings into this role a wealth of best practices harnessed in other high-performing organizations and I have no doubt that he will make a significant contribution to the Bank's operations.'

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** August 28, 2017

**End of Document**



[***Washington: EXECUTIVE SESSION***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RCY-C991-JDG9-Y300-00000-00&context=1516831)

Impact News Service

January 11, 2018 Thursday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 15385 words

**Body**

Washington: The Library of Congress, The Government Washington: of USA has issued the following house proceeding:

 EXECUTIVE CALENDAR The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to executive session to resume consideration of the following nomination, which the clerk will report. The legislative clerk read the nomination of Thomas Lee Robinson Parker, of Tennessee, to be United States District Judge for the Western District of Tennessee. Recognition of the Majority Leader The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Tax Reform Mr. McCONNELL. Mr. President, we have been talking all week about the ways our historic tax reform law is immediately helping middle-class families. It has been less than a month since Congress passed and the President signed the Tax Cuts and Jobs Act, but already more than 1 million Americans are on track to receive special bonuses, permanent raises, and other benefits, and their employers are attributing these changes directly to tax reform. In fact, 100,000 employees of American Airlines are each receiving a $1,000 tax reform bonus; U.S Bank is raising its minimum wage to $15 and is also giving $1,000 bonuses to 60,000 employees; 29,000 employees of Nationwide Insurance are also receiving bonuses, and 33,000 are getting an increase in their retirement match. These are just a few of the 100-plus companies that have already announced new benefits for American workers as a direct result of tax reform. These are only the immediate benefits. Mainstream economists agree that in the months and years to come, the permanent changes we made in the way we tax businesses will make our economy more vibrant and more competitive. That means greater investment and higher wages for American workers. Of course, all this is in addition to the direct effects the tax cuts themselves will soon have on family budgets. The Tax Cuts and Jobs Act will reduce income tax rates and significantly expand key deductions. We took money out of Washington and put it right back in the pockets of middle-class Americans. Starting as early as February, the IRS will withhold less from paychecks, and workers will get to deposit more of their hard-earned money right into their own bank accounts. In 2018 alone, for a typical family of four earning just over 70,000, the Tax Cuts and Jobs Act could mean a tax savings of more than $2,000. Nearly every day, reports come out about a new way this historic tax reform bill is helping Americans. Here is a subject that is particularly relevant around many kitchen tables this winter: utility bills. All around the country, utility companies that will benefit from our new tax cuts are already discussing ***plans*** to pass their savings on to customers. [[Page S114]] Major power companies in Illinois, Maryland, and Massachusetts are already proposing ***plans*** to give their customers tens of millions of dollars in relief by lowering the rates they charge for energy. And get this: According to CNBC, a South Carolina electric and gas utility is ***planning*** to give a cash payment directly to its customers, averaging $1,000 per household. More are following suit. In Montana, Louisiana, and Indiana, regulators are already working with utilities to determine how households will benefit from the tax savings. In my own State of Kentucky, the Public Service Commission directed a number of the electric, gas, and water companies to track their savings and make ***plans*** to cut rates for consumers. As any mother or father who has to balance a checkbook and pay bills every month can attest, this is welcome news for middle-class families. These reductions will be especially helpful to the most vulnerable in our society. According to data from the Department of Health and Human Services, energy costs eat up a significantly higher percentage of household income for poor families than for other families. In other words, for a software engineer in Silicon Valley, a lower heating or air conditioning bill may go unnoticed, but for workers who clean that office overnight, this relief will make a real difference. A drop in utility bills effectively amounts to progressive tax relief. This is just another example of how the Tax Cuts and Jobs Act is rapidly proving to be a serious asset to poor and middle-class families--precisely the people whom my Democratic friends in the House and Senate loudly claimed would get nothing at all from this bill. It has been 3 weeks--3 weeks--lower utility bills, 1 million special tax reform bonuses and pay raises, and this is only the beginning. A Republican majority in the House and a Republican majority in the Senate and President Trump listened to the facts instead of the political spin. I am proud that we passed this historic bill and gave families across America the tax relief they have waited decades to receive. I suggest the absence of a quorum. The ACTING PRESIDENT pro tempore. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Cotton). Without objection, it is so ordered. Recognition of the Minority Leader The Democratic leader is recognized. Funding the Government Mr. SCHUMER. Mr. President, we have barely over a week to negotiate a broad package of must-pass items, including an extension of government funding, a deal to lift the spending caps for both defense and urgent domestic priorities, a healthcare package, disaster aid, an agreement to protect the Dreamers, and to provide additional border security. The path forward on some of these issues is very clear. There are significant bipartisan majorities that would vote to extend CHIP, or the Children's Health Insurance ***Program***, and community health centers. There seems to be a growing consensus on how we can pass the 702 FISA Court ***program***. I am also confident that we could assemble a disaster aid package that addresses the needs of all of the States and Territories--Texas, Florida, Louisiana, California, the Western States that have been plagued by fires, Puerto Rico, and the U.S Virgin Islands--as well as modifying what the Forest Service does so they don't spend all of their money simply fighting forest fires and not do the job they are intended to do, which is to prevent future forest fires by careful forestry ***programs***. Even where the path is murkier, the outlines of a deal exist. If we don't lift the spending caps in short order, the sharp ax of sequestration will fall on the military side of the budget and on the domestic side of the budget. That is a scenario everyone wants to avoid. The majority leader continues to insist that we should raise the budget caps unequally, sparing our military but not critical domestic ***programs*** that create jobs, grow our economy, and help the middle class. We Democrats believe we absolutely must provide the resources our men and women overseas need to protect our country. We believe that strongly, but we also know that there are many important issues here at home--combating the opioid crisis, improving veterans' healthcare, shoring up pensions for millions of hard-working Americans who are approaching retirement, and dealing with rural development and rural broadband. These items are all crucial to the middle class. The deadly scourge of opioid addiction has contributed to the first consecutive-year decline in life expectancy in the great United States of America since the early 1960s. That is an astounding and alarming fact that should rouse everyone in this Chamber to action. It is not occurring in most of our Western country allies. Some of our veterans have been waiting in line for healthcare at veterans hospitals for over a year. These men and women served our country bravely. We have a solemn responsibility to serve them when they come home, and we are not living up to that responsibility right now. Over a million Americans paid into pension ***plans*** with the expectation that they could retire with basic dignity. For so many of them-- teamsters, miners, food workers--pensions have fallen short, and a lifetime of careful savings may be ripped away from pensioners at the last moment. We could make progress on each of these issues through a budget that lifts the spending caps equally for defense and nondefense. The Republican majority, which conveniently forgot its long history of opposing deficits when passing a $1.5 trillion tax bill, cannot, in good conscience, turn around and complain about deficits here. So let's make the investments we all know are essential in both our military and in our middle class. Even on the most challenging issue we face, the fate of the Dreamers, there appears to be a path forward. Yesterday's immigration meeting at the White House was encouraging for two reasons. First, practically everyone at the table--including some of the most conservative voices on immigration, like the Senator from Iowa--agreed that we must resolve the future of Dreamers by passing DACA protections into law. That is a very positive development. Second, President Trump appeared to endorse a narrow deal to protect the Dreamers, leaving the thornier issues for a later debate on comprehensive immigration reform--a debate that, personally, I would welcome, the sooner the better. But first, we have to do this narrow deal. President Trump also backed off his demand that a DACA deal include an expensive and ineffective border wall across the entire length of the southern border. Of course, the devil is in the details. We Democrats have repeated time and again that we are ready, willing, and eager to support an effective, practical border security measure in a deal that enshrines DACA into law. The President yesterday seemed to agree with that. We agree with that. For these reasons, the meeting was encouraging. Last night, a Federal judge ruled against the Trump administration's handling of the termination of the DACA ***Program***. Let me be very clear. The ruling last night in no way diminishes the urgency of resolving the DACA issue. On this we agree with the White House, which says the ruling doesn't do anything to reduce Congress's obligation to address this problem now. A court case, of course, is no guarantee of lasting security. A higher court can quickly overturn it. Unsurprisingly, the Department of Justice responded to the ruling last night by saying that it ``will continue to vigorously defend [this] position, and looks forward to vindicating its position in further legislation.'' So the fact remains that the only way to guarantee the legal status for Dreamers is to pass DACA protections into law and to do it now. For that reason, a resolution to the DACA issue must be part of a global deal on the budget. We cannot tolerate delay. Delay is a tactic employed by those who do not wish to see a deal. Let me just say, promises that maybe in the future we will do it--particularly on immigration--have vanished by the wayside. [[Page S115]] Unless DACA is on a must-pass deal--a must-pass bill--in terms of a global agreement, people are rightfully skeptical that it will ever happen. Somehow, somewhere, someone will say: I can't do it. Let's not forget that the House has been a graveyard even for immigration proposals that have had bipartisan consensus here in the Senate. So it must be on a must-pass bill. Otherwise, we are not going to get it. Congressional negotiators and the valiant group here in the Senate led by Senators Durbin and Graham are focused on this issue right now. The meeting they had yesterday--I talked to both Senators Durbin and Graham last night and this morning--provides a clearer picture of the parameters of the deal. The iron is hot. We should strike now. Delay will snuff out the hope of getting an agreement that both sides can live with. Let us press forward. Each side is going to have to give. I am confident, though, that both sides can come to an agreement on border security. I am convinced now both sides want to find a consensus on DACA. Some will support a deal enthusiastically, others reluctantly, but, nonetheless, an agreement is within reach. We ought to get it done through the Senate, through the House, and onto the President's desk for signature now. So let's get the job done. I yield the floor. The PRESIDING OFFICER. The Senator from Oregon. Issues Before the Senate Mr. MERKLEY. Mr. President, here we are at the start of a new year. Last year, the Republican majority decided to dedicate the year to government by and for the powerful and the privileged, but how about this year, 2018? We pay attention to our Constitution, which starts with that vision of government, not for the powerful, not for the rich, not for the privileged, not for the well connected, not for the wealthy but for the people of the United States. It is a vision where power is distributed, and power comes up from each individual citizen to create policies for their general welfare. Last year, we saw this complete dedication to trying to wipe out healthcare for 20 million to 30 million Americans in order to provide tax benefits for the richest. How big were those tax benefits? Well, if you add up the provisions that are dedicated to the powerful corporations and those benefits for the wealthiest 10 percent, and most of that goes to the wealthiest 1 percent, those provisions stack up to over $2 trillion--$2 trillion. It is very hard to get your hands around $2 trillion. Those are not numbers we use in ordinary conversation. Let's take that down to the amount of money per man, woman, and child--per citizen in America. Well, that is about $6,000--$6,000 taken from the community funds for every man, woman, and child in America to deliver to the wealthiest Americans. That was government by the Republican majority in 2017. It was not ``We the People'' but we the powerful and we the privileged. How about we have a new year's resolution that pays attention to the vision of our Constitution, to that vision of government of, by, and for the people? Ben Franklin once wrote in his ``Poor Richard's Almanac'': Be at war with your vices, At peace with your neighbors, And let every New Year find you a better man. Every new year is a chance to recreate and reenvision where we are headed. Certainly, it is a big vice to use this Chamber, in contravention of our Constitution, to pursue policies for the powerful and privileged rather than for the people. So let's set that vice aside and have a bipartisan year, dedicated to making a foundation for families to thrive and jobs and education and healthcare and a healthier planet. Right now, we should have an immediate new year's checklist of things to get done, and that checklist starts with the budget. We have just 9 days until funding runs out for the Federal Government, and we all know from experience what that means--parks shut down, medical research stops, passports don't get processed, and businesses can't check in on their I-9 applications for employees. That is the type of conduct that happens in banana republics--basically, in countries that don't have a competent system of government. It should not happen in the United States of America. We are deep into the financial year, which started on October 1. October passed. November passed. December passed. We are well into January and still the majority leadership of this body is unable to put together a process that addresses just key, fundamental issues. Why is that? Because they were so distracted by delivering trillions of dollars to the richest of Americans and trying to destroy healthcare for millions of Americans that they didn't tend to the fundamentals that need to be tended to. Let's take care of those things now. The Children's Health Insurance ***Program***. Here we are. It expired on September 30 of last year. Nine million children across America depend on this insurance. This insurance was crafted in a bipartisan manner. It was forged in an agreement between Senator Hatch, a Republican, and Senator Kennedy, a Democrat, who had very different visions of America but who could agree that families who didn't qualify for Medicaid and weren't affluent enough to buy insurance for their children could still have insurance for their children. These are the working poor of America, the struggling workers of America. It was forged in a bipartisan manner, but this year my Republican colleagues decided to make these children a bargaining chip for their effort to get more for the privileged and the powerful. That has to end. When children do not have insurance, they don't get that dental benefit to take care of those cavities. They don't get that medical exam. They don't get those inoculations, those vaccinations. They don't get treatment when they are injured because their parents can't afford to take them to the doctor. They don't get treatment when they are sick for the same reason. Let's take care of children's healthcare. This is not a partisan issue. It was forged in a bipartisan manner, and it should be so today. What also expired on September 30 of last year was the legislation authorizing support for our community health clinics. Community health clinics are the front door to healthcare for millions of Americans. It is that friendly place in your rural community, in your urban neighborhood, where you can go through the front door and get assistance. Talking about millions of Americans who go through those front doors, there are more than 1,400 clinics across the country. These are popular in rural areas. They are popular in urban areas. They are popular in red States. They are popular in blue States. There is nothing partisan about it, but the leadership of this body has no interest, has seen no urgency in reauthorizing the ability for those health centers to stay open. In Oregon we saw, as a result of the Affordable Care Act, 30 more health clinics established. We saw a lot more resources go into both mental illness and into drug abuse during a period in which the opioid crisis joined the meth crisis and afflicted both rural and urban areas. Lots of folks come to this floor and say: We have to take on opioids. It is not just on the left-hand side of the aisle, but it is also on the right-hand side of the aisle. People base virtually their entire campaigns on taking on opioids. Yet the Republican leadership says this isn't important. Let me tell you, this is important, and we need to get it done. Then let's turn to the Dream Act. Dreamers are those children raised in our communities, now 16 through their midtwenties. They are productive members of our communities. They have gone through our high schools or are in high school now. They are in college. They are working. They are contributing. They know no other country than ours. Across both sides of the aisle we hear folks say: We want to take care of them and establish a structure for this, a legal structure for the Dreamers. The President yesterday hosted a bipartisan conversation at the White House to say: Let's get this done. He expressed his support. In fact, everyone in the room expressed support for getting this done. Each one of these--the budget, the children's healthcare, the health centers, the Dream Act--are bipartisan efforts. These are things that should have been addressed long ago if my Republican colleagues instead weren't so [[Page S116]] obsessed with decimating healthcare for millions of Americans and ripping off the National Treasury to deliver benefits to the wealthiest Americans. Let's get this done for our Dreamers. More than 100 a day are losing their status, which means they can no longer legally work in our country. It matters. It is urgent. It is productive for our communities. It is bipartisan. Let's get it done. How about disaster relief? We certainly saw a powerful punch against our States from the raging forest fires in the West to the hurricanes in the South and Southeast. Hurricanes have hit Texas and Florida and Puerto Rico and the Virgin Islands--massive destruction. Fires have scourged States from Montana to Idaho, to Washington, to Oregon, to California. Those fires burned well into the winter months of November and December. These afflictions hit Democrats and Republicans, red States and blue States. Why don't we get this done? These are basic, bipartisan, let's- get-it-done agendas. Let's get it done now. Let's make sure, when we are addressing the impact of those storms in the South and those hurricanes--Harvey, Irma, and Maria--we simultaneously recognize the destructive impact forest fires have had that have been scourging the West. They have destroyed a lot of the infrastructure in the forest that needs to be replaced. They have affected a lot of communities that need economic help recovering. Certainly, it made us recognize that we have millions of acres of forests that can become much more fire resilient if they are thinned, if we get rid of the fuel buildup on the floor of the forests. When they become more resilient, they stop the forest fires. Thinning is a win-win. It ***produces*** a steady supply of sawlogs for the mill and stops forest fires when they are raging. There was a forest fire headed right for Sisters, OR, and it hit an area that had been thinned. Guess what. It stopped. The trees were farther apart. The fuels were removed from the floor of the forest. Now we have created a real fire hazard with our clear-cut strategy of years past--the forestry grows very close together, often replanted. Trees are all the same height. It is very easy for the fire to get into the canopy, and once in the canopy, every tree is touching the next tree. It rages on, and there is no break. But a natural forest is very different. We can more effectively replicate the fire-resistant nature of a natural forest by thinning these overgrown, second-growth forests. We can then create that supply of saw logs, keep our mills open, keep our people working, and strengthen our economies in rural America. We can do it by funding this reduction, these thinning ***programs*** in acreage that has already gone through the environmental process. In Oregon, we have 1.6 million acres already approved for thinning, if we can pass the funds to get it done. So let's take this on in 2018. Let's dedicate 2018 to that vision in our Constitution of ``we the people.'' Let's stop passing legislation targeted specifically to help out the richest at the expense of everyone else in America. Let's turn over a new leaf from campaigns and policies and legislation by and for the privileged and the powerful to honor the vision of our Constitution, the vision of our Nation, a Nation of laws which distributes power that ***produces*** policies by and for the people of the United States of America, for making families stronger, for building those foundations of jobs and healthcare and education and a healthy planet. Thank you, Mr. President. The PRESIDING OFFICER. The majority whip. Funding Our Military Mr. CORNYN. Mr. President, I admit I wasn't here during the entirety of the comments from our friend, and I saw his to-do list. The only thing missing from that to-do list was to fund our military--or at least I didn't see it on there. In all fairness, maybe he mentioned that in his comments. We now have 9 days to reach an agreement to keep the government funded, to keep the lights on, to keep paying the salaries of our government employees, and, of course, to fund our military, which ought to be our No. 1 priority. If we think about things that government must do, funding our national defense is the only thing that we can do and that government can do. There are a lot of other things that government does that are optional or maybe things we would like to do, but funding our military is the No. 1 priority--or should be. As the Senate majority leader mentioned earlier this week, our Democratic colleagues persist in the notion that we should only increase defense spending if we increase nondefense spending by the same amount. The parity that the minority leader and the other Democrats call for doesn't make any sense, though. It is apples and oranges. They act as though all government spending is exactly alike and enjoys or should enjoy the same priority, and that is just not true. We know that from our own family budgets or from a small business. There are things we must do, things we want to do, and things we will do if there is money left over. But our friends across the aisle, who are obstructing our ability to get to negotiated budget caps and fund our military, act as though all of that is the same, that must do, want to do, and what you will do if you have money left over--that those are all exactly the same, and that is just not the case. It is not the case in our family budgets, in our small business budgets, nor is it the case for the Federal budget. Not everything is a priority. But we do know that the No. 1 priority must be the safety and security of the American people by making sure our military is adequately funded. The Budget Control Act signed into law in 2011 was what I would call a necessary evil. The Budget Control Act provided that we would have a bipartisan, bicameral negotiation and try to come up with a grand bargain. That was what President Obama liked to talk about a lot--the grand bargain. But some people suggested that was kind of like a unicorn, something that people describe but no one has ever seen--a grand bargain. I wish it weren't true. The Budget Control Act said that in the absence of a grand bargain, we would have budget caps or sequestration imposed on discretionary spending above certain levels. It proposed separate budget caps for defense and nondefense, and if the budget caps are exceeded, there is an automatic enforcement mechanism called sequestration which imposes across-the-board cuts, which I mentioned a moment ago. The purpose of this sequestration--or these across-the-board cuts--is to do something in the absence of us doing what we should do; in other words, we should take it upon ourselves to figure out what the appropriate spending levels should be for defense and nondefense, and then we should act to appropriate that money. But this is basically a fail-safe mechanism, which operates as a result of our failure to deal with this in a proactive way, and it has hit our defense spending much, much harder than domestic spending. As we know, neither our defense spending nor tax cuts are the cause of our deficits and debt. It is the 70 percent of spending that happens in the Federal Government on autopilot. It is the entitlements that have been going up well in excess of 5 percent a year and are causing instability and unpredictability in those important ***programs***, such as Medicare and Social Security, but at the same time racking up huge deficits and debt that future generations are going to have to pay back. Somebody is going to have to pay it back, and it won't be the present generation because we won't be around then. It is simply immoral to continue to see this happen without trying to deal with it. But back on the matter of the Pentagon, as one op-ed writer put it in the Washington Post last month--he said: The Pentagon and the welfare state have been locked in brutal combat for decades, and the Pentagon has gotten clobbered. . . . Welfare ***programs***--Social Security, Medicare, food stamps and other benefits--dwarf defense spending. In the 1950s and 1960s, defense spending was roughly 8 to 10 percent of our economy. In 2016, it was just 3 percent. That is a huge change. James Clapper, the former Director of National Intelligence, said that in his 50 years in the intelligence community, he had never seen a more diverse array of threats confronting the United States around the world--never in his [[Page S117]] 50 years of experience. So we are simply asking our military and our national security personnel to do too much with too little. It is no surprise that Secretary of Defense James Mattis said last June that ``for all the heartache caused by the loss of our troops during [our] wars [abroad], no enemy in this field has done more to harm the readiness of our military than sequestration.'' More recently, General Mattis said that so far our continuing resolutions have not done even greater damage to our readiness thanks to certain additional or supplemental funding that we voted on. But at the same time, he soberly cautioned that there could be real impact-- and it won't be positive, it will be negative--if the problem persists and if the Department of Defense doesn't have a real budget sometime this month. His remarks echo that of practically every service chief. Together, their views mean we have to act. I don't know who else we would listen to if we are not going to listen to the Secretary of Defense and our service chiefs when it comes to national security because that is their job, and we ought to take their advice and heed their counsel. Cuts in defense spending have real consequences. Much less money is available for training and necessary maintenance, for example. The length of deployments for our troops grows, and our soldiers are stretched thin. Our military is forced to operate beyond its normal capabilities. The former Air Force Chief of Staff recently described the Air Force as the smallest, oldest equipped, and least ready force across the full spectrum of operations in our service history. Those are chilling remarks--or should be. More than half of all Marine Corps fixed and rotary-wing aircraft were unable to fly by the end of 2016. I have no doubt that we can turn that around very quickly if Congress were to step up to its responsibilities and adequately fund the military, but that is the status quo unless we act. The Navy fleet currently stands at 275 of the 350 ship requirement. Of our 58 Army brigade combat teams, only 3--3 out of 58--are ready for combat. Our enemies shouldn't take any comfort in these numbers because, as I said, the United States always pulls together and Congress always acts when they see a national emergency. But it shouldn't take an emergency for us to do our job and to make sure that our military is adequately funded and is ready to fight. As General Brooks in Seoul, South Korea, said, their motto is ``ready to fight tonight.'' That is the kind of world we live in. Last summer was the perfect example of why, when we draw attention to these numbers, we are not just blowing smoke. Operational accidents in the South Pacific exposed our readiness failures in a dramatic fashion and in a tragic fashion. Ten sailors died when the USS John S. McCain collided with a 600-foot merchant vessel off the coast of Singapore. Seven sailors died when the Fitzgerald collided with another vessel off the coast of Japan. And the USS Lake Champlain collided with a boat near Korea--although thankfully that time no lives were lost. This ought to be a wake-up call to all of us. Many have drawn credible correlations between these accidents that have taken the lives of our military servicemembers and our readiness failures, citing studies like the 2015 independent investigation by the Government Accountability Office. That study determined that the Navy's mandate to keep ships afloat in the Pacific was shortchanging crew training and degrading the condition of our ships--in other words, additional readiness failures. These accidents, by the way, are happening at the same time our national security threats are not going away, as General Clapper's comments would indicate. We have seen North Korea continue to improve its nuclear and long- range ballistic missile capabilities beyond the estimates of our intelligence community--much faster--and detonate what is widely considered to be a hydrogen bomb recently. We have seen large-scale protests in Iran--and I hope they continue-- exposing the instability of a regime that continues to use its proxies to advance its aims throughout the broader Middle East; in other words, the No. 1 state sponsor of international terrorism--Iran. We ought to encourage the people of Iran to continue to rise up in protest and to change the regime there into one that does not prey on its neighbors in the region. We have seen a growing China--something that more and more people are realizing is a threat. I know that when we deal with countries like China, frequently we deal with them in the commercial context where we see a business th

at hires people and we see investments here in the United States. But what we need to recognize is that they don't do business the way the United States does business. Sitting at the top of every company in China, in the board room of every Chinese company, is the Communist Party. They operate on an all-of-government basis. And it is not just the government; it is also what we would consider the private sector. But, in truth, there is no private sector in China; it is all an arm of the government. It is posing a rising threat to American wages and labor as they erode our industrial base by stealing our technology. And because of loopholes in the Committee on Foreign Investment in the United States--the so-called CFIUS process--they are now able to tailor financial arrangements through joint ventures and others in a way to capture our dual-purpose, cutting-edge technology. They then copy it in China and erode our defense industrial base here in the United States, along with the jobs that go with it. So it is a very real and present threat to American wages and workers. It is a threat to our intellectual property edge and the innovation that we are the best in the world at, but they are all too eager to steal it, copy it, and to harm the jobs and the investment in those businesses here in the United States. Of course, when it comes to China, there is the threat to human rights in nondemocratic nations like Venezuela and Zimbabwe, which China often has no qualms supporting. With this diverse array of dangers, we simply can't afford to straitjacket our military by arbitrarily cutting the amount of money we appropriate to fund it. But that is what is going to happen unless we act--and act quickly. The current continuing resolution expires on the 19th of this month. The truth is, even if we are able to come up with negotiated budget caps for defense and nondefense spending, we are probably going to have to have a short-term continuing resolution to give the Appropriations Committees time to put that into bill text. In other words, we can't just snap our fingers once the decision has been made. It is going to take some time to actually put it on paper. The bottom line is, if we want to return to having the strong military that we have always had, if we want to continue to lead in the world, if we want to continue to be a force for peace and stability, we have to maintain our military strength. That was the lesson we had to learn again during the last administration when we saw America retreat from its leadership in the world. There are countries, tyrants, bullies, and dictators all too willing to fill the void left by American retreat, and one way we retreat is when we don't fund the readiness of our military, when we are not ``ready to fight tonight,'' as General Brooks has said, and we need to start with ending this cycle of continuing resolutions and defense sequestration. So I come to the floor today to call on my colleagues from all across this Chamber, but specifically across the aisle, to quit holding our military hostage to other unrelated demands, and I urge this body to come together in agreement on new budget caps as soon as possible. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Sullivan). Without objection, it is so ordered. Mrs. MURRAY. Mr. President, I ask unanimous consent to speak as in morning business. The PRESIDING OFFICER. Without objection, it is so ordered. [[Page S118]] CHIP and Community Health Centers Mrs. MURRAY. Mr. President, I come to the floor today to talk about an issue that is critical to patients and families in my home State of Washington and across the country. Today, parents are wondering if they will be able to get the healthcare their kids need, and communities are wondering if they will be able to provide it. That is unacceptable. Congress has to swiftly and fully restore the Children's Health Insurance ***Program***, or CHIP, and funding for other services families need, like community health centers, which have been waiting more than 100 days for a long-term solution. They should do so without making deep cuts to successful prevention ***programs*** in the Centers for Disease Control and Prevention that tackle avoidable conditions like heart disease and diabetes. Democrats have wanted to get this done for months. By focusing on pushing through partisan tax reform at the end of the year, Republicans instead put massive corporations and the wealthiest ahead of making sure our children and their families have the healthcare they need. I hope they are now ready to give these issues their full and immediate attention. In case they aren't, I want to make sure they know exactly what this is about. It is about children like Stella. Stella lives in Washington State. She is 5 years old. She has two brothers. She has a love of the outdoors, especially swimming and kayaking. She has a typical kindergartner's boundless energy and excitement. But Stella was born with spina bifida, an issue with how her spinal cord was formed. In the past year of dealing with that condition, Stella's family went through 5 catheters a day, almost 2,000 in total. They went on 10 different occasions to have MRI scans. They went to get her new leg braces. Given the cost of all that, they went through their $5,000 deductible in the first 5 weeks of the year. That is right. It took just 5 weeks. Additionally, this year Stella is also scheduled to have bladder and kidney surgery. As one can imagine, the expenses are really adding up. Even with both parents working, covering Stella's healthcare needs would be an unimaginable task. Fortunately, Stella does qualify for health insurance through CHIP. CHIP has helped her family afford the treatment she needs, including physical therapy. Stella's story is just one of many examples of families who rely on this ***program***. There are 60,000 children in Washington State who are now insured through CHIP. Nine million families nationwide rely on it to help address the healthcare needs of their children. Yet Congress has taken over 102 days and counting to restore it. There is no excuse for this inaction. Families who rely on the CHIP ***Program*** are not alone in needing our immediate attention. Thanks to CHIP and Medicaid, the uninsured rate among children is now at an all-time low. Jeopardizing this accomplishment by letting CHIP twist in the wind is simply unacceptable. This Republican-controlled Congress has also failed to renew other investments that our families rely on for the care they need--***programs*** such as community health centers, which serve 25 million patients, particularly in our rural and poorer communities; the National Health Service Corps, which brings doctors and other healthcare providers to underserved areas through scholarships and loan repayment; and the Teaching Health Center Graduate Medical Education ***Program***, which brings primary care and dental residencies to communities in need. Leaving these ***programs*** without long-term extensions a minute longer is utterly irresponsible because this lack of certainty for them is already bringing a negative impact on our communities. For example, the Northeast Washington Health ***Programs*** serve some of most the rural areas in my State, including Ferry County, which has fewer than four people per square mile. They are struggling to hire needed medical staff and managers because of this uncertainty that is now there. Ferry County cannot wait. The Community Health Association of Spokane runs 12 health center sites and sees more than 70,000 patients a year. They recently began offering very much needed opioid addiction treatment. If Congress does not reauthorize the community health center funding, those efforts will be jeopardized and expansions will be halted. Spokane cannot wait. Yakima Neighborhood Health Services served over 22,000 patients in 2016. Almost all of those patients were below 200 percent of the Federal poverty line. If Congress does not act soon, three different clinics, including a clinic in one of the poorest cities in Washington, will be at risk. Yakima cannot wait. I have heard additional stories of similar hardships from across my State. North Olympic Healthcare Network has had to put expansions on behavioral healthcare on hold. Another health center in Washington may have to reconsider building a new children's dental residency ***program***. A center serving Whatcom County may have to cancel a project for medical, dental, and behavioral healthcare facilities as well. Across the country there are a lot of examples for community health centers just like the ones I mentioned. Healthcare that people of all ages and backgrounds rely on is being put in jeopardy, all because Republicans prioritized tax cuts for those at the top before the health needs of millions of people at the end of last year. It is far past time to show these families that we are willing to work to get this done. We need to give them the peace of mind that they can get the healthcare they need. They deserve that. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. NELSON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mrs. Ernst). Without objection, it is so ordered. (The remarks of Mr. NELSON pertaining to the introduction of S. 2292 are printed in today's Record under ``Statements on Introduced Bills and Joint Resolutions.'') Mr. NELSON. I yield the floor. The PRESIDING OFFICER. The Senator from New Mexico. Mr. HEINRICH. Madam President, I ask unanimous consent to speak as in morning business. The PRESIDING OFFICER. Without objection, it is so ordered. DACA Mr. HEINRICH. Madam President, I rise today to stand up for the hundreds of thousands of young immigrants known as Dreamers, whose lives President Trump has thrown into terrifying uncertainty. Immigrant communities have long helped write the economic, social, and cultural story of my home State of New Mexico and, for that matter, the entire Nation. That is certainly true for Dreamers, undocumented immigrants who arrived in the United States as children and are vital members of communities across New Mexico. Over the years, I have had the privilege of meeting many of New Mexico's estimated 7,000 Dreamers. I have met with students who grew up here and are now striving to become doctors, scientists, teachers, and even serve in our military. These young people are our children's classmates. They are our next-door neighbors. They are our colleagues. They are family members, and many are truly rising stars. In fact, I would argue that these Dreamers are the future of a great America. Every day these young people add to the strength of our economy, to the vitality of our country. More than 97 percent of DACA recipients are in school or in the workforce. The DACA ***Program*** allowed them to work legally, to get driver's licenses, to go to college, to serve in our military and give back to their communities. DACA helped almost 70 percent of recipients secure a job with better pay, and better pay leads to real investments in our communities and our economy. After their DACA applications were approved, nearly two-thirds of recipients reported buying their first car, and almost one in six reported buying a new home. DACA recipients also paid billions of dollars in Federal, State, and local taxes. Why on Earth would [[Page S119]] we kick out these contributors to our economy and our country? The economic impact of removing nearly 700,000 workers from the U.S workforce would be staggering. It would cost our economy nearly half a trillion dollars in GDP loss over the next decade. But passing the Dream Act could add an estimated $281 billion to the U.S economy over the next 10 years. That, to me, sounds like putting America first. I stand with these Dreamers, and I always have. One of my first actions when I was in the House of Representatives was to sign on as an original cosponsor of the Dream Act, which would create a pathway to legal status and citizenship for Dreamers who pursue higher education or serve our Nation in uniform. This commonsense, compassionate, and responsible policy is long overdue for a generation of young Americans. Since President Trump made the heartless decision to end DACA, I have held his administration accountable for their mishandling of renewal applications for DACA recipients. My office has assisted Dreamers in New Mexico through the DACA renewal process and is actively participating in meetings with communities and local advocacy groups throughout the State. I introduced legislation to safeguard Dreamers' private information, such as addresses and telephone numbers, so the Trump administration can't use those to target them or their families for deportation. When my office learned that the Department of Homeland Security had arbitrarily rejected hundreds of renewal applications that arrived late because they were delayed by the Postal Service, I pressed the administration to take immediate action to reverse its decision. I am pleased to say that Dreamers whose applications were rejected due to Postal Service delays were allowed to resubmit their renewals for DACA. In fact, just last week, the first two DACA recipients in New Mexico, who brought this to my attention with the help of Catholic Charities, were told that they could move forward with their DACA renewal applications. President Trump's decision means that until Congress passes the Dream Act, these young members of our communities still face deep uncertainty about whether they will be able to stay in school, keep working and contributing to our economy, and remain in the Nation that they call home. Congress must pass the Dream Act now. Threatening to deport these young people who grew up in America and want to contribute to their Nation will not fix our broken immigration system. Making the American people foot the bill to build an unnecessary and wasteful border wall-- which families in New Mexico's border communities have told me they do not want nor do they need--will not fix our broken immigration system. President Trump and congressional Republicans wasted an entire year trying to take away American's healthcare and then rushing through tax breaks for the superwealthy in the final weeks of the year. By squandering an entire year, they pushed Dreamers aside and put their lives in jeopardy. I voted to fund the government through the holidays in hopes that Congress could finally reach an agreement to pass the Dream Act. We also urgently need to reauthorize the Children's Health Insurance ***Program***, fix wildfire disaster funding, provide disaster relief for Puerto Rico, which is still recovering from Hurricane Maria. Taking care of these long-neglected and bipartisan priorities is the bare minimum of governance. Republican leaders in Congress need to take this opportunity seriously, especially if they expect our support. I will be fighting every step of the way to pass the Dream Act, and I encourage all of my colleagues to do the same. Since President Trump shamefully pulled the rug out from under Dreamers when he hastily ended the DACA ***Program***, I have spent time meeting with Dreamers in New Mexico, as well as here in Washington. You cannot hear their stories without realizing how morally bankrupt the administration's current policy is. It is impossible for me to convey the desperation and the fear they are feeling every day that passes without our passing the Dream Act. Now is the time to give these young Americans a permanent place in this great Nation. Enough is enough. Their patience has worn thin with the President and congressional Republicans using them as political bargaining chips. It is immoral to play politics with the lives of these young Americans. I will say it again. Congress absolutely must pass the Dream Act, and we have an opportunity to do it now. We should not stop once we pass the Dream Act. Leaders in Congress have waited far too long to finally address our Nation's overall broken immigration system. I still continue to believe that our Nation urgently needs Congress to pass comprehensive immigration reform, which includes a visa ***program*** that meets the needs of our economy. It is a tough but fair path to earn citizenship for the estimated 11 million people in our country who are undocumented and a ***plan*** that ensures community safety and security at our borders. When I think about immigration, I always wonder how different my own life would be if America had turned my father away when he immigrated here as a young boy. Our Nation's enduring spirit has been built by the hard work and the dreams of so many striving young immigrants like my father in the 1930s and like so many Dreamers today. No Member of Congress should be able to rest until Dreamers are able to rest easy, knowing they will be able to stay and to contribute to literally the only Nation they have ever called home. Thank you. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. LEAHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Funding the Government Mr. LEAHY. Madam President, just last week we began the second session of the 115th Congress. We are now safely into 2018, and we should be talking about what we can accomplish for the American people in the new year. We simply face a long list of unfinished business from 2017--last year--and, unfortunately, we have a very short window in which to get it done. We are 4 months into fiscal year 2018, and we still don't have a budget deal. I am vice chairman of the Appropriations Committee. We should have had this done long before now. Our agencies are operating under last year's funding levels. They have little flexibility to handle the problems they face today. We still haven't reauthorized the Children's Health Insurance ***Program***, what we call CHIP, so that puts the healthcare of 9 million children at risk. These are American children. Nearly 800,000 Dreamers live under uncertainty and fear of deportation, living in the country they have known most of their lives. I don't know how anybody, Republican or Democrat, could call this acceptable. Now, I know the Republicans control the House, they control the Senate, and they control the White House. They are in charge. They have to show responsibility and show leadership on these issues, but instead of addressing these issues, last year the Republican leadership spent time rolling back sensible regulations designed to protect the American consumer, designed to protect our environment, and designed to protect people from harassment in the workplace. They rolled those all back, and then they passed a massive tax cut for big corporations and the wealthiest of Americans. We Democrats have been calling for bipartisan budget talks since June--7 months ago. We have passed three continuing resolutions since September of last year to give us more time to strike a deal on the budget and Dreamers and CHIP and disaster funding. These are just to name a few, but they are enormously important to the people who are experiencing the disasters or who have children who need healthcare or who are Dreamers. Yet, on the 102nd day of the fiscal year, there are only 9 days until the next fiscal cliff, and we don't have a budget deal. President Trump said months ago that the country could use a good government shutdown. I don't agree with [[Page S120]] him, but I am beginning to think that is exactly what his party is angling for--a manufactured crisis to distract from the fact that they are not doing their job. The Washington Post seemed to confirm this last December, when it reported the President privately told people that a government shutdown would be good for him politically. In all of my years in the Senate--I have been here under Republican and Democratic Presidents alike--I have never heard such damaging rhetoric come from the President of the United States. Nobody wants a government shutdown--nobody. It is devastating to people not only throughout the government but to people throughout the whole country. However, that seems to be what they are vying for. For months, I have been calling for a bipartisan budget deal that is based on parity--equal increases for defense and nondefense ***programs***-- that would provide relief from sequestration. I agree with the Republicans and Democrats who say military readiness has suffered under sequestration but so has our Nation's economy, so has our educational system, so has our infrastructure, and so has our care for our veterans. If we want to combat the problems caused by sequestration, we have to raise the caps on both sides of the ledger. Fixing one side of the equation will not address the needs of our Nation and, even worse, will actually shortchange our military. If we don't invest in our economy, if we don't invest in the education of our youth, the military will not have expert, qualified soldiers, the men and women on whom they rely. If we don't invest in our diplomacy, our Nation and the world become less safe. If we don't improve our cyber security defenses and our physical infrastructure, we become soft targets for those who would do us harm, both in this country and outside this country. If we don't care for our veterans, we are not going to have young men and women who are willing to serve. This week, the majority leader came to the floor making the case for increased defense spending. He asked us to listen to our nonpartisan military leaders about what they think is needed to keep this country safe. I couldn't agree more. To that end, I have two letters signed by a combined 560 retired admirals, generals, and other former military members. I ask unanimous consent to have these letters printed in the Record following my remarks. I have no idea what these admirals', generals', and others' political parties are, but they make the case that we have to increase our investment in domestic priorities--including education and childcare, as well as diplomacy--if we are going to keep our country safe and support our military. Secretary of Defense Mattis said even more bluntly: If we do not fully fund the State Department, we should be prepared to buy more ammunition for our military. The wisdom of our military leaders notwithstanding, Republicans appear to be dug in. They claim equal increases for both defense and nondefense ***programs*** would add too much to our deficit and burden our children. It is one over the other. It is hard to have somebody say that with a straight face in the wake of the President signing a tax bill to add $1.5 trillion to our Nation's debt and to benefit primarily large corporations and the wealthiest Americans. You can't make the argument that we can't afford to take care of our domestic needs. It is simply not credible. Budget negotiations are not the only place where Republicans haven't engaged in a productive way. President Trump's decision to end the DACA ***Program*** has put nearly 800,000 Dreamers in this country in an untenable position. The decision was as cruel as it was senseless. It may make a tweet that people look at, but if you are one of those Dreamers and you are on your way to school and are expecting a scholarship to college and you don't know if you are going to be in this country tomorrow, that is not a tweet. The President should have worked with Congress. He should have found a permanent legislative solution while keeping DACA protections in place. I believe he terminated the ***program*** under false pretenses, yielding to xenophobic voices in his administration, and last night a Federal judge issued an order that said just that: Terminating DACA was not required under the law--far from it. But a court order that only temporarily halts the administration from dismantling DACA provides little comfort to Dreamers. They live each and every day uncertain of the future and with fear of deportation. Now, I have heard Members of the Senate trying to decide at what time we are going to finish voting for the week. Their big fear is this: Are we going to make our flight home? Dreamers have to worry if their flight is going to be out of this country and back to a country they don't even know. They worry if they will have to leave the country they know and love. Dreamers are Americans in every way, except on paper. They were brought here as children, through no fault of their own. They are law- abiding members of our community. They attend school. They serve as doctors and teachers. They defend our homeland as brave men and women in uniform. This is a crisis of the President's own making. Now, Congress needs to pick up the pieces. I hope, after the meeting yesterday, we will be allowed to pick up the pieces. We have spent months trying to find a path forward, but you can't find one if the administration keeps moving the goalposts. We need to address the fate of the Dreamers now. You can take a poll in this country. The American people want us to. Also, look at the broad bipartisan support on display yesterday at the White House. Republicans and Democrats want to fix the mess that the President created. A solution should be within our grasp. The White House has made unreasonable demands, such as $18 billion of American tax dollars to build a wall on the southern border, in exchange for Dreamers. The $18 billion wall is last century's solution. It does nothing for this century. If they really believe Mexico is going to pay for it, I have a solution. Open a bank account and, as Mexico sends us money, then use it to build a wall. Don't ask the American taxpayers, who are strapped at home, to pay for something the President says the Mexicans will pay for. Open an account, find out if they are telling the truth, let the money come into the account, and then build it. But, worse, don't use the Dreamers as negotiable commodities. They are not commodities. They are human beings. They are people who deserve to have their dreams. Let's pass a bill--we could do it this week-- protecting Dreamers now. Republicans control the House, the Senate, and the White House. This is their government. We have a week and a half before the next continuing resolution expires. We have a lot to do. Let's get serious. Let's get to work. I am willing to work here every day, every night, right through the weekend. Let's get it done. We are not doing it for us. We are doing it for all the American people. Let's do it for all the American people-- not for special interests, not for one party. Let's do it for all the American people. It could be done, if we want to. There being no objection, the material was ordered to be printed in the Record, as follows: Mission: Readiness, Council for a Strong America, May 30, 2017. Members of Congress: As retired admirals and generals, we know from our experience that no matter how much we spend to build our military and procure the latest and greatest technology, we will never be a secure nation if we do not have qualified and skilled men and women to fill the ranks of our Armed Forces. Therefore, investing in education for our youngest children, which is the foundation of our future national security, is essential. Accordingly, we urge Congress to prioritize investments in early childhood ***programs***, including funding for Head Start, the Child Care and Development Block Grant (CCDBG), and Preschool Development Grants in FY18 Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill. Mission: Readiness is the national security organization of retired top military leaders that recognize the strength of our military depends on our people. The stunning fact is that today, 71 percent of young adults ages 17 to 24 cannot qualify for military service because they are too poorly educated, medically or physically unfit, or have a disqualifying record of crime or drug abuse. if these issues are not addressed, the Nation risks a shortage of qualified recruits--one that will leave the country vulnerable for years to come. [[Page S121]] Mounting research shows that the early years of life have an incredible impact on educational attainment, behaviors and health. High-quality early ***interventions*** can help vulnerable children succeed in school, stay on the right side of the law and achieve a healthy weight in the long-term. These outcomes open the doors for many career paths, including military service. Long-term studies of early education ***programs*** show impressive differences in children's educational outcomes. A recent analysis of Head Start outcomes, comparing siblings who did versus did not attend the ***program***, found participants showing increased probability of graduating from high school, attending college, and receiving a postsecondary credential. High-quality state preschool ***programs*** have also demonstrated lasting effects on students' elementary-school performance. New Jersey's preschool ***program***, for example, found that children in the ***program*** were three-quarters of a year ahead in math and two-thirds of a year ahead in literacy in the fourth and fifth grades. While Congress faces tough spending choices ahead to secure and protect our Nation, we know that the backbone of our military is, and will always be, our women and men in uniform. As a matter of national security, in order to grow the pool of eligible recruits, Congress must prioritize investments in early childhood ***programs***, including funding for Head Start, the Child Care and Development Block Grant (CCDBG), and Preschool Development Grants. Signed by a combined 424 retired admirals, generals, and other former military members. \_\_\_\_ February 27, 2017. Hon. Paul Ryan, Speaker of the House, House of Representatives. Hon. Nancy Pelosi, Minority Leader, House of Representatives. Hon. Mitch McConnell, Majority Leader, U.S Senate. Hon. Chuck Schumer, Minority Leader, U.S Senate. Dear Speaker Ryan, Minority Leader Pelosi, Majority Leader McConnell, and Minority Leader Schumer: As you and your colleagues address the federal budget for Fiscal Year 2018, we write as retired three and four star flag and general officers from all branches of the armed services to share our strong conviction that elevating and strengthening diplomacy and development alongside defense are critical to keeping America safe. We know from our service in uniform that many of the crises our nation faces do not have military solutions alone--from confronting violent extremist groups like ISIS in the Middle East and North Africa to preventing pandemics like Ebola and stabilizing weak and fragile states that can lead to greater instability. There are 65 million displaced people today, the most since World War II, with consequences including refugee flows that are threatening America's ***strategic*** allies in Israel, Jordan, Turkey, and Europe. The State Department, USAID, Millennium Challenge Corporation, Peace Corps and other development agencies are critical to preventing conflict and reducing the need to put our men and women in uniform in harm's way. As Secretary James Mattis said while Commander of U.S Central Command, ``If you don't fully fund the State Department, then I need to buy more ammunition.'' The military will lead the fight against terrorism on the battlefield, but it needs strong civilian partners in the battle against the drivers of extremism--lack of opportunity, insecurity, injustice, and hopelessness. We recognize that America's ***strategic*** investments in diplomacy and development--like all of U.S investments--must be effective and accountable. Significant reforms have been undertaken since 9/11, many of which have been embodied in recent legislation in Congress with strong bipartisan support--on human trafficking, the rights of women and girls, trade and energy in Africa, wildlife trafficking, water, food security, and transparency and accountability. We urge you to ensure that resources for the International Affairs Budget keep pace with the growing global threats and opportunities we face. Now is not the time to retreat. cc: Secretary of State Rex Tillerson. cc: Secretary of Defense James Mattis. cc: National Security Advisor H.R McMaster. Signed by a combined 121 retired admirals, generals, and other former military members. Mr. LEAHY. Madam President, I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. LEAHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. LEAHY. Madam President, my colleague from Vermont, Senator Bernie Sanders, wrote what I feel was a terrific op-ed about why we should not and do not need to close down the government, why we can do our work and why we should, and that people rely on us, too. Madam President, I ask unanimous consent that the op-ed be printed in the Record. There being no objection, the material was ordered to be printed in the Record, as follows: [From the Washington Post, Jan. 8, 2018] It's on Republicans To Stop a Shutdown (By Bernie Sanders) I do not know why President Trump and the Republican Party--which controls the White House, the Senate and the House--are so willing to shut down the government. Maybe they think it will be good for them politically. Maybe they believe the chaos created by a government shutdown would be a welcome distraction from the ongoing Russia investigation being conducted by special counsel Robert S. Mueller III. Whatever the motives of the Republican leadership, one thing is clear: A government shutdown would be disastrous for the American people. A shutdown would harm tens of millions of working-class families who would be unable to access vital services. It would disrupt the lives of hundreds of thousands of federal employees who would not receive the paychecks they expected. It would endanger members of the U.S military who are putting their lives on the line defending our nation. Congress has a responsibility to the American people to prevent a shutdown and work in a bipartisan manner to reach a fair budget agreement that addresses the very serious problems facing the working people of our country. Unfortunately, Senate Majority Leader Mitch McConnell (R- Ky.) ratcheted up threats of a government shutdown last week by insisting on ending the long-standing, bipartisan agreement over parity for defense and non-defense spending. This principle of parity is enormously important for working families and is something that cannot be terminated. If we do not act, funding for education, child care, health care, nutrition assistance, affordable housing and other important domestic ***programs*** will be at a 40-year low as a percentage of our economy. As the middle class continues to shrink, cuts to non- defense spending would cause even worse economic pain to working families, the elderly, children, the sick and the most vulnerable. Meanwhile, as Trump and the Republicans demand an unbelievable $100 billion increase in military spending over the next two years, the Defense Department has been inoculated from budget cuts over the past several years because of the Overseas Contingency Operations loophole--a special account not subject to spending caps established by Congress in 2011. Providing parity in these budget negotiations means, among other things, fully funding--without offsets--the Children's Health Insurance ***Program*** for 9 million kids and community health centers for 27 million Americans. It means increased funding for the Social Security Administration and the Veterans Administration so they can provide guaranteed benefits to seniors and veterans who have earned them. It means keeping our obligations to more than 1.5 million workers and retirees who are about to lose a large part of the pensions they were promised. It means addressing the crisis of student debt, expanding child care, improving our crumbling infrastructure in rural America and protecting our national parks. It means providing help in the national struggle against opioid and heroin addiction. Furthermore, as part of the budget negotiations, we must also provide adequate disaster relief to Texas, Florida, Puerto Rico and the Virgin Islands, as well as assistance to the Western states recovering from terrible wildfires. Finally, Trump added even more fuel to the fire when he decided to use 800,000 ``dreamers'' as a bargaining chip for an $18 billion wall that the overwhelming majority of Americans do not want. These dreamers are young people who have lived in this country for almost their entire lives. They go to school. They work. They serve in the U.S military. The United States is their home; they know no other. For Trump and the Republican leadership to allow their legal status to expire, and to subject them to deportation, would be one of the cruelest acts in modern American history. It must not be allowed to happen. This is not just my viewpoint. It's what the American people want. A recent Quinnipiac University poll showed that 77 percent of the American people, including a large majority of Republicans, support providing legal protections for the dreamers. The Republican Congress must act. A clean Dream Act must be signed into law as part of any budget agreement. The American people are increasingly disgusted with a government that protects the interests of the wealthy and the powerful, while ignoring the needs of the vulnerable. The U.S government must do more than provide huge tax breaks to billionaires, callously deport young people, greatly expand military spending, end net neutrality, deny the reality of climate change and threaten to cut Social Security, Medicare, Medicaid, education and nutrition ***programs***. We must pass a budget agreement that addresses the needs of Americans and not just billionaire campaign contributors. [[Page S122]] Mr. LEAHY. Madam President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. BARRASSO. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Tax Reform Mr. BARRASSO. Madam President, when we were debating the tax relief law at the end of last year, it was a very familiar debate in many ways. Republicans came to the floor with facts and figures on how much extra money people were going to see in their pockets and their paychecks. Democrats came to the floor with the same old tired line that you always hear them talk about--the millionaires and billionaires. Republicans pointed out economic studies that showed that workers right now pay more than 70 percent of the cost of corporate taxes. We talked about a study by the Tax Foundation that predicted that if we passed the tax relief bill, the average family would actually see a gain of about $2,600 a year in their after-tax income. It was partly because of getting the tax cut and partly because their employers would then pass on much of the tax cut in higher wages. Democrats didn't believe it. They said that only rich people would benefit and that businesses would never share their tax savings with the workers. The Democratic leader said that ``tax cuts like these benefit the wealthy and the powerful to the exclusion of the middle class.'' Here we are. It is the month after we passed the tax relief bill, the tax reduction bill, and the tax simplification bill, and the question is, Who was right? The very day the tax bill passed in Congress, AT&T came out and said it was giving its workers a bonus. It said that 200,000 hard-working employees were going to get an extra $1,000 each directly because of the new tax relief, tax reduction, tax cut bill. The Tax Foundation predicted that they would eventually get an extra $2,600, and these people are already getting $1,000 each on day one. That has opened the floodgates to other companies doing the exact same thing and employees around the country experiencing the exact same thing. Businesses started sharing the tax savings with rank-and-file, middle-class workers, and it started on day one--not just the wealthy and the powerful, as Senator Schumer has predicted. Over 120 companies have said they are raising wages, giving out bonuses, and investing in their workers because of the tax law. It adds up to over $980 million-- $980 million in the pockets of hard-working men and women around the country. How many people are seeing that? By last count, almost 1 million hard-working Americans--over 970,000 hard-working Americans have already gotten the good news. There is more good news coming every day, with more announcements today. It is exactly what Republicans said would happen. It is happening for people who work at banks, who work at insurance companies, who work at airlines. It is happening for people who work at big companies, such as AT&T, Visa, and Comcast, but it is also happening for people who work at smaller companies, such as a winery in California and an aviation company in Texas. These are businesses and people in communities who are important parts of their communities and doing important jobs. The employees work hard, and now they are getting a share of the relief the Republicans had predicted they would get all along. And they are not just getting cash bonuses. There is a bank in Massachusetts called Berkshire Hills Bancorp. They announced last week that the people working there will be getting a $1,000 bonus and will also see the minimum wage raised to $15 an hour. More is being invested in employee development and training ***programs***. When you invest more in employee development and training ***programs***, that means people are going to have additional skills that make them even more productive, better at their jobs, and qualify for even higher wages. This bank in Massachusetts is also contributing an extra $2 million to its charitable efforts, including scholarships. That helps improve the communities where the workers live and where they raise their families. Democrats said it is not going to happen. It has happened. It is happening every day. They said that businesses would keep the money for themselves. That is not what we are seeing all across the country. Ms. Warren, the senior Senator from Massachusetts, went on PBS. The senior Senator from Massachusetts said that the idea that tax relief would lead to higher wages was, in her words, ``the big lie that Republicans have been selling'' for decades. She said that tax relief was ``an insult to working families across America.'' I would point out to Senator Warren that many of the people who work at this bank are in her home State of Massachusetts. People have gotten wage increases. People have gotten additional money spent on training so they can become more valuable and make even more money. People have seen the minimum wage in that business go up. The workers getting these bonuses and raises in their pay are her constituents. Does she think these people are feeling insulted? Does she believe they have been insulted by getting a $1,000 bonus and getting an increase in their salaries and having investments in terms of additional training? Is that an insult to those people? I don't think so. I bet they are feeling pretty glad to be supported and valued by their employer. There is another business in Nevada, South Point Casino. Workers there are receiving $1 million total in bonuses. Previously, this business had actually ***planned*** to increase the share of health insurance costs that its employees would have to pay because health insurance costs have gone up. Health insurance prices have skyrocketed ever since ObamaCare was passed. Companies have struggled with how to deal with these rising costs. Many have tried to pass these on to the employees. This company in Nevada has said that because of the Republican tax relief law, they are canceling their ***plans*** to raise insurance costs-- canceling their ***plans*** to raise the costs. That is more money in employees' pockets. The owner of the business said: ``We want to be sure that our extended family is taken care of.'' That is the way these people think of the people who work for them--as part of their extended family. That is how employers are responding to tax relief all around the country, and that is what we said would happen. We also predicted that one way businesses might deal with lower taxes would be to cut prices for consumers, let people who use their services or buy their products keep more of their hard-earned money. Americans are starting to see that prediction come true in the form of lower utility bills. Gas, electric, and water utilities across the country are getting ready to cut their rates because the taxes are going down under the law. Customers of the power company in Baltimore are going to receive millions of dollars in the form of lower rates. It has been a cold winter on the east coast, and a lower electric bill is going to be good news for a lot of people in that area. Customers are also likely to see the same thing in Missouri, South Carolina, and Louisiana. These are the kinds of effects we are seeing all across the country, in various ways. It is all good news for consumers, all good news for people at home as a result of the tax reduction, tax relief, tax cuts passed by Republicans and signed by President Trump. Americans are getting the benefits of tax relief. They are getting the benefit of regulatory relief and the pro-growth policies of Republicans in Congress and the Trump administration. People are seeing it in their daily lives. The polling company Gallup said that as soon as Donald Trump was elected President, economic confidence in this country soared. That is what the polls found. It has stayed positive almost without interruption ever since. It is the exact opposite of what polls were showing during the previous 8 years, in the previous administration. That was during the so-called economic recovery. Why are people so optimistic now? It is because you can't open a newspaper or turn on a television without seeing more good news about the economy. New employment numbers came out last Friday. CNN had a headline: ``U.S [[Page S123]] economy added 2 million jobs in 2017.'' The Washington Post's headline was ``Trump's first-year jobs numbers were very, very good.'' Bloomberg reported that the Christmas shopping season was ``probably the best one in a decade.'' People are feeling confident. They are seeing higher wages, they are seeing cash bonuses, and soon they will start seeing the tax cut in their paychecks. The American people know that Republicans have kept our promise. We are cutting regulations, cutting taxes, putting more money back in their pockets. That is what hard-working Americans have asked us to do, and that is what we are going to continue to do. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Tillis). The clerk will call the roll. The legislative clerk proceeded to call the roll. Mrs. ERNST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mrs. ERNST. Mr. President, I rise to discuss the positive impact the Tax Cuts and Jobs Act will have on Iowa farmers. Of course, our Iowa ***agricultural*** economy is really important, and those men and women who are serving as farmers, ranchers, and growers in the State of Iowa mean the world to me, coming from a farm my family had in Southwest Iowa. We all understand this has been a very challenging time for farmers in our rural communities. The community I come from in Southwest Iowa has just 10,000 people in our county. Many of them have faced the challenges of the economic downturn. Since their peaks in 2012, corn prices have declined by 60 percent and soybean prices have declined by 47 percent. My neighbors are hurting, folks. Farm income has nearly been cut in half since 2013. A lot of our ***producers*** are hurting, especially our young and beginning farmers who have gotten their start just in maybe the last 10 years or so, but, fortunately for our farmers, our ranchers, and our growers, tax relief is on its way. The Tax Cuts and Jobs Act will provide sweeping tax cuts for farmers and rural communities, allowing our ***producers*** to keep more of those hard-earned dollars. About 95 percent of farms are organized as passthrough businesses, such as sole proprietorships, partnerships, and S corps. These businesses are taxed under individual tax rules and will benefit from lower tax rates for every income bracket. On top of that, they will see significant relief through a new 20-percent deduction on passthrough business income. The law also provides relief from the costly individual mandate which forced many farmers to choose between buying an expensive ObamaCare ***plan*** through their State exchange or being fined. Now, just a couple of years ago, I remember a very intense conversation I had with a beginning farmer in Northeast Iowa. When he was purchasing his insurance through the State exchange, the cost had more than doubled. He was shaking he was so upset about it, and he explained to me the additional cost of that individual policy was his truck payment. There was no room in his budget for the additional cost of that insurance policy so he had to make that choice: Do I purchase through the individual exchange or do I make my truck payment? Fortunately, within this bill, we have that relief. He can make that choice, and the choice is his on whether he makes that truck payment and forgoes the insurance or whether now he can do without that type of insurance and not be fined because he was too poor to afford it. In addition, the bill dramatically expands section 179 expensing and allows 5 years of 100 bonus depreciation. Both of these changes will foster much needed investment in farms throughout Iowa. The law also preserves a number of important tax provisions for farmers, including the interest deduction, cash accounting, and the use of like-kind exchanges for property. Last, but certainly not least, the Tax Cuts and Jobs Act doubles the Federal estate tax exemption while preserving the stepped-up basis. The death tax can have a devastating impact on family farms. Over 90 percent of farm assets cannot be sold easily without losing value. Especially as we continue to experience a downturn in that ag economy, family farmers are sometimes left with no choice but to sell land or the equipment they use to farm that land when they are forced to pay that tax. The Tax Cuts and Jobs Act is a big step in the right direction for ***agriculture***. I am thankful to the President for his leadership and to my colleagues in the Senate and the House for helping get this long- needed bill done. On behalf of ***agriculture***, thank you. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. BOOZMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. BOOZMAN. Mr. President, I rise to highlight the positive impacts our historic tax reform law will have on the ***agricultural*** community. ***Agriculture*** is Arkansas' largest industry by far, adding $16 billion to our economy every year and accounting for approximately one in every six jobs. We are the top rice-***producing*** State in the Nation, No. 2 in the Nation in broiler chicken production, and the third largest ***producer*** of catfish in the United States. We could also clothe and shelter ourselves from fiber grown in Arkansas, as we are the third in the Nation in cotton production and the fifth largest softwood lumber- ***producing*** State. You could keep going down the list, and you would find Arkansas as one of the Nation's top 10 ***producers*** of a number of ***agricultural*** commodities. Clearly, ensuring that Washington helps create an economic environment that allows the ***agricultural*** industry to thrive is extremely important to my home State of Arkansas. When President Trump signed the Tax Cuts and Jobs Act into law, his signature provided much needed tax relief to America's farmers. More than 94 percent of farms are organized as passthrough businesses, which means they are impacted by the same tax provisions as individual filers. Lower tax rates across the board and a 20-percent deduction from their taxable income means immediate savings, which can be reinvested to help grow their operations. Ninety seven percent of the farms in Arkansas are family owned, and the vast majority of them will now be exempt from the estate tax--the death tax. This is a big deal. It will help keep those farms and ranches in the family for generations to come. Finally, farmers and ranchers will be able to expense 100 percent of their capital investments, such as equipment, over the next 4 years. In his address to the Farm Bureau earlier this week, the President called this the ``sleeper'' in the bill. He is right. People don't realize and there hasn't been enough talk about how beneficial this provision will be for our family-run ***agricultural*** operations. The substance of the President's Farm Bureau speech tilted heavily toward our efforts to bring stability and predictability to the economy. As we have witnessed over the course of the previous administration, uncertainty is devastating to our economy. There are few industries that are inherently more affected by uncertainty than ***agriculture***. This is why we have taken steps to eliminate some of the punitive, needless regulations that create uncertainty for our farmers and our ranchers. It is also why my colleagues and I on the ***Agriculture*** Committee, under the steadfast leadership of Chairman Roberts, are working hard to reauthorize the farm bill. ***Programs*** are authorized by the farm bill that are absolutely vital to farmers, ranchers, and consumers. These ***programs*** will provide more certainty in rural America to address the challenges ahead. Finally, it is why we took great care to ensure that the ***agricultural*** industry will see the benefits of tax reform. Establishing a tax code that works for our farmers and ranchers, as opposed to against them, is vital to their ability to ***plan*** for the future and invigorate our rural communities. I am proud of our efforts to pass this landmark tax reform law, and I am [[Page S124]] confident it will have lasting, positive effects for our economy. With that, I yield back. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. ISAKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Cotton). Without objection, it is so ordered. Nomination of Michael Brown Mr. ISAKSON. Mr. President, I am honored and privileged to come to the floor of the Senate today to talk about Michael Brown, appointed by President Donald Trump to be a district judge on the U.S District Court for the Northern District of Georgia. Mr. Brown is an outstanding citizen of our State. He is married to a wonderful lady and has three wonderful children. He is a graduate of Marist School, a graduate of Georgetown University, and a graduate of the University of Georgia Law School, magna cum laude, in 1994. He has a record of practicing law in the private sector that is unparalleled, having worked for both King & Spalding and also Alston & Bird. King & Spalding ***produced*** many of the judges on the bench of the United States of America with distinguished records, not the least of which is the Attorney General under President Jimmy Carter, Griffin Bell, an outstanding Attorney General from our State. They also ***produced*** Sam Nunn, an outstanding Member of the Senate. They ***produced*** many judges in our State. Many were also ***produced*** from the firm where he practices now, which is Alston & Bird. It is a privilege for me to talk about Michael for many reasons. Most importantly, he comes with a background of experience in the private sector. He has been recommended by the U.S Chamber of Commerce as one of the great lawyers in the United States of America in business matters. One of the things our courts need is a tempered balance of business and consumers. There is no question that someone who is not a voice for business as a judge but has experience in business as a judge will make a tremendous difference. I know he will in the Northern District of Georgia. I thank the President for nominating Michael and making this appointment. To the Members of the Senate, I urge you to join me in voting for Michael Brown for the Northern District of Georgia to be our next judge there. He will be a great judge on the bench. It will be a great decision for us, and it will continue the growth and improvement of outstanding jurists confirmed by this Senate in this year 2018. I yield back. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. BURR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. BURR. Mr. President, I ask unanimous consent to begin the series of votes. The PRESIDING OFFICER. Without objection, it is so ordered. The question is, Will the Senate advise and consent to the Parker nomination? Mr. BURR. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Arizona (Mr. McCain). Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Booker) is necessarily absent. The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 98, nays 0, as follows: [Rollcall Vote No. 5 Ex.] YEAS--98 Alexander Baldwin Barrasso Bennet Blumenthal Blunt Boozman Brown Burr Cantwell Capito Cardin Carper Casey Cassidy Cochran Collins Coons Corker Cornyn Cortez Masto Cotton Crapo Cruz Daines Donnelly Duckworth Durbin Enzi Ernst Feinstein Fischer Flake Gardner Gillibrand Graham Grassley Harris Hassan Hatch Heinrich Heitkamp Heller Hirono Hoeven Inhofe Isakson Johnson Jones Kaine Kennedy King Klobuchar Lankford Leahy Lee Manchin Markey McCaskill McConnell Menendez Merkley Moran Murkowski Murphy Murray Nelson Paul Perdue Peters Portman Reed Risch Roberts Rounds Rubio Sanders Sasse Schatz Schumer Scott Shaheen Shelby Smith Stabenow Sullivan Tester Thune Tillis Toomey Udall Van Hollen Warner Warren Whitehouse Wicker Wyden Young NOT VOTING--2 Booker McCain The nomination was confirmed. The PRESIDING OFFICER. Under the previous order, the motion to reconsider is considered made and laid upon the table and the President will be immediately notified of the Senate's action.

**Load-Date:** January 12, 2018

**End of Document**



[***EU grants €22 million in funding to research project led by Glanbia Ireland***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S66-9D81-F15K-22MS-00000-00&context=1516831)

Farming Life

April 26, 2018 Thursday

Copyright 2018 JPIMedia Publishing Ltd All Rights Reserved



**Length:** 1260 words

**Body**

The European Commission today announced €22 million in funding for a new bio-economy research project to be led by Glanbia Ireland.

The project, called AgriChemWhey, will receive €22 million in funding from the Bio-Based Industries Joint Undertaking (BBI JU) under the European Union's Horizon 2020 research and innovation ***programme***. It is the first dairy industry project to be awarded funding under the ***programme***. The overall value of the project is €30 million with the balance of funding coming from the partners involved.

The project will explore the development of a new state-of-the-art, bio-refinery at Lisheen, Co Tipperary with a world-first process for converting by-products from the dairy industry into high value bio-based products including biodegradable plastics.

AgriChemWhey is based on groundbreaking technology developed and patented by Glanbia Ireland, in collaboration with University College Dublin and Trinity College Dublin. It builds on previous research ***programmes*** funded by Enterprise Ireland and research carried out within the Science Foundation Ireland funded Advanced Materials and BioEngineering Research (AMBER) centre.

Making the announcement today, Commissioner for ***Agriculture*** and Rural Development Phil Hogan said: "I am very pleased to see this project receive funding under the Bio-Based Industries Joint Undertaking. AgriChemWhey is a highly innovative research project, which if successful, will serve as a flagship for Europe's growing bio-economy, contributing towards a more resource efficient European dairy sector, with enormous potential for replication in other areas across Europe, while also providing a boost to jobs and growth in Europe's rural economy."

Speaking at the launch, Michael Creed TD, Minister for ***Agriculture***, Food and the Marine, said: "I congratulate Glanbia and all the Irish partners involved in this ground-breaking award. Innovation is a key theme of the Food Wise 2025 strategy for the sustainable growth of the agri-food sector. Projects such as AgriChemWhey will strengthen the environmental sustainability of the sector, while offering new opportunities for rural employment and development."

Philippe Mengal, Executive Director of BBI JU which has awarded funding to the project commented: "All of us in BBI JU, together with our founding partners the European Commission and the Bio-based Industries Consortium (BIC) are very pleased to support this project. It is exciting to see Glanbia Ireland and its partners spearhead this research and innovation project as it gives us a clear indication that more actors see the potential offered by a sustainable and competitive bio-based sector for Europe and its citizens."

The AgriChemWhey project will take low value by-products from the dairy processing industry - excess whey permeate (WP) and delactosed whey permeate (DLP) - and convert them into cost competitive, sustainable lactic acid. Lactic acid can then be used in value-added bio-based products for growing global markets, including biodegradable plastics, bio-based fertiliser and minerals for human nutrition.

The new technology developed by Glanbia Ireland will provide both the dairy industry and wider society with an opportunity for greater resource efficiency - less food waste, more products from the same starting material (milk), and integration of food and non-food material production.

Julie Sinnamon, CEO of Enterprise Ireland added: "A key plank of Enterprise's Ireland engagement with international research and innovation cooperation is through the European Union Research and Innovation Framework ***Programmes***. Enterprise Ireland leads the national support network for Horizon 2020 through which funding for the AgriChemWhey project has been secured. This project is Ireland's biggest win under the fund to date and illustrates the potential of the fund for Irish companies and researchers. I want other Irish companies to work with us and see Horizon 2020 as an opportunity to innovate and grow their businesses."

Professor Mark Ferguson, Director General of Science Foundation Ireland and Chief Scientific Adviser to the Government of Ireland congratulated the partners on this ambitious project stating: "Ireland is ranked second in the world for Animal and Dairy Research, a topic of great ***strategic*** importance to this country and it is a testament to the excellent research being undertaken across industry and academia that competitive European investments of this magnitude are won. I am delighted that Glanbia is leading this project and I hope that other Irish based industries are encouraged by their success to lead and win additional research projects of scale from the EU ***programmes***. The technology garnered from this research will place Ireland at the cutting edge of sustainable ***agricultural*** processing, and provide an excellent test bed for the roll-out of new and innovative technologies in the dairy sector."

Jim Bergin, CEO of Glanbia Ireland concluded: "We are very excited about this R&D project which has the potential to harness the potential of by-products from the dairy processing stream and to create a circular bio-economy for the dairy industry. I would like to thank our partners who have contributed to the project so far and most particularly, our funding partner, the BBI JU. We look forward to working together and to taking the project forward to its next phase of development."

This project has received funding from the Bio Based Industries Joint Undertaking (BBI-JU) under the European Union's Horizon 2020 research and innovation ***programme*** under grant agreement No 744310. The BBI-JU is a €3.7 billion Public-Private Partnership between the EU and the Bio-based Industries Consortium.

Growth in milk production is set to continue as a result of increasing demand for whey protein for human and animal nutrition globally and the removal of milk production quotas in the EU in 2015, underscoring the need for new technologies, products and markets to manage the associated waste streams.

AgriChemWhey has the potential for replication in other regions across Europe, contributing towards the development of the European bio-economy to promote rural growth, competitiveness and job creation and aligning with European sustainability targets.

The new facility is ***planned*** for the new bio-economy innovation campus at Lisheen, Co. Tipperary on the site of the former Lisheen mines. The new bio-economy campus will offer a single hub to enable industry, entrepreneurs and researchers to scale technologies that convert Ireland's natural resources to products of high value for use in a wide variety of sectors.

AgriChemWhey will also partner with Model Demonstrator Regions for sustainable chemicals in Ireland and in Belgium to examine policy development for market uptake of bio-based products and share best practice while working on common challenges together as part of the Irish Bioeconomy Association.

Partners in the AgriChemWhey project include: Glanbia Ireland - Project Coordinator; University College Dublin (UCD) - Beneficiary; AMBER, School of Physics, Trinity College Dublin (TCD) - Beneficiary; Commercial Mushroom ***Producers*** Cooperative Society Ltd (CMP), Ireland - Beneficiary; PNO Consultants Limited, UK - Beneficiary; GIG Karasek GmbH, Austria - Beneficiary; Tipperary County Council, Ireland - Beneficiary; TEAGASC - ***Agriculture*** and Food Development Authority, Ireland - Beneficiary; Pole Greenwin, Belgium - Beneficiary; Katholieke Universiteit Leuven, Belgium - Beneficiary; EW Biotech GmbH, Germany - Beneficiary

**Load-Date:** April 26, 2018

**End of Document**



[***Council of the European Union: ERAC Opinion on the Interim Evaluation of Horizon 2020 and preparations for the next Framework Programme ST 1207 2017 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PDW-MHV1-JDG9-Y06P-00000-00&context=1516831)

Impact News Service

August 31, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 8158 words

**Body**

Brussels: Council of the European Union has issued the following document:

ERAC 1207/17 MI/evt 1 DG G 3 C EN EUROPEAN UNION EUROPEAN RESEARCH AREA AND INNOVATION COMMITTEE —————— – ERAC – Secretariat Brussels, 7 July 2017 (OR. en) ERAC 1207/17 NOTE From: ERAC Secretariat To: ERAC delegations Subject: ERAC Opinion on the Interim Evaluation of Horizon 2020 and preparations for the next Framework ***Programme*** Delegations will find annexed to this Note the ERAC Opinion on the Interim Evaluation of Horizon 2020 and preparations for the next Framework ***Programme***, as adopted by written procedure. ERAC 1207/17 MI/evt 2 ANNEX DG G 3 C EN ANNEX Executive Summary Research and Innovation are the roots of our European democratic values. Today, the framework ***programmes*** for research and innovation (FPs) represent the main drivers for competiveness, wellbeing, as well as environmental and social resilience, particularly in pointing out social challenges in addition with excellence. At EU level, FPs generate an outstanding EU added value, notably by teaming up and by driving collaborations of R&I ecosystems through all Europe.

With Horizon 2020, FPs have achieved a significant leap toward simplification and predictability both by framing a coherent architecture based on 3 main pillars, and by implementing 2-year work ***programmes***. This breakthrough at ***programme*** level has been reinforced by relevant simplifications at project level, widely supported by the stakeholders. These improvements have been successful at supporting excellence and cooperation as corner stones on all the R&I chain. They must be preserved as such, together with impact. Excellence shall remain the overarching evaluation criterion. Today, FPs rely on outstanding initiatives that optimize the European added value of the ***programme***. For instance, ERC activities, the infrastructure ***programme***, the Marie Skłodowska-Curie Actions and the collaborative projects under Future Emerging Technologies, the Societal challenges, Partnerships (Public-Public and Public-Private) and the Key Enabling Technologies, have already contributed to the impact H2020. The current balance between collaborative projects and mono-beneficiaries activities should be preserved to further boost transnational collaborations. ERAC 1207/17 MI/evt 3 ANNEX DG G 3 C EN FPs are also enabling the achievement of the European Research Area, consistently with all its priorities, which is a common goal as well as a shared competence of the Member States/Associated Countries and the European Union. Beyond the FP7 and H2020 significant successes, ERAC nevertheless identified further improvements to be delivered: 1) The next FP should reaffirm the achievement of ERA as a top priority. In particular, FPs should continue supporting all activities related to the so called ERA priorities such as the common efforts by MS/AC and the EC in jointly addressing grand challenges, so its governance should ensure a multi-level approach and full role of Member States in the priority-making process. Researchers and innovators are a common asset of the ERA and their creativity deserves appropriate support. 2) FPs must incentive involvement of new participants, whatever is their location, status, gender, as far as they met excellence. This calls for different actions. On the one hand, it is necessary to keep simplification high on the agenda, so as to squeeze transaction costs related to proposal preparation. Excellence can be found everywhere within the ERA and must be evaluated and supported without any bias, so that equal opportunity of competing and getting funded is ensured. 3) FPs must reinforce the international cooperation with Europe’s global partners as soon as possible. The current global context calls for a longstanding cooperation between research and innovation actors from all over the world. FPs can boost EU attractiveness and EU positions in decisive multilateral endeavors such as the Sustainable Development Goals and the Paris Agreement. ERAC 1207/17 MI/evt 4 ANNEX DG G 3 C EN 4) Innovation has to deserve a good policy mix and the involvement of all R&I actors. The wellbeing of Europeans relies on the capacity to incentive R&I ecosystems to push forward the knowledge frontiers, while disseminating knowledge and solutions to society at large. There is a need for technological innovation support as well as non-technological innovation, notably with the active involvement of Social Science and Humanities. All existing schemes should aim at maximizing complementarities among existing national and EU initiatives. 5) FPs should feed EU sectoral policies. R&I policies can provide significant impact to EU policies, notably by providing data for evidence based policies. The other way round, R&I policies should be liaising with pertinent public policies. In particular, strong linkages with Higher Education are necessary to harness the full potential of the knowledge triangle. 6) FPs should deliver better and continued dialogue with the European citizens. Exchanges between science and society have to be continued and renewed. In a context of political questioning in Europe, it is necessary to show that FPs are a great success in terms of scientific and socio-economic achievements, dissemination of the European values of freedom and inclusion. ERAC 1207/17 MI/evt 5 ANNEX DG G 3 C EN ERAC OPINION European construction is facing doubts from various parts of our societies. More than ever do we need facts based on undisputed scientific evidence, to bolster the European project by designing bold public policies geared to building bridges between Europeans. Science, research and innovation are rooted in European democratic values, especially since the ages of Humanism and Enlightenment when scientists, thinkers and entrepreneurs travelled the continent to dialogue with their peers, shared their ideals and spread their inventions. This peaceful exchange of ideas has been continuing in spite of nationalism, with its disastrous and painful consequences. To secure a competitive position as a science and innovation global leader for Europe, it is crucial to invest in research and innovation (R&I) to support the creativity and attractiveness of the R&I ecosystems across Europe. These investments are all the more necessary that the scope of societal and technological challenges we face call for transnational actions such as climate change, energy transition or ageing societies. Today, EU framework ***programmes*** for research and innovation (FPs) represent the main drivers for economic competiveness, wellbeing, as well as environmental and social resilience. By actively supporting the activities of the best European researchers and innovators, FPs precisely provide opportunities for cross-border and transdisciplinary cooperation. With excellence as the cornerstone for all R&I activities, FPs generate a wide range of impacts, from science to society and from business to culture. ERAC 1207/17 MI/evt 6 ANNEX DG G 3 C EN In addition to excellence, their success is due to well identified principles, such as cooperation, impact and dissemination. The FPs are key for supporting the scientific and innovative basis of Europe and thereby its economic and industrial competitiveness. FPs contribute to the competitiveness of the EU by providing the right incentives to help MS/AC make progress towards their national R&D intensity targets and for the MS/AC to reach the objective of increasing the EU's GERD to 3% GDP. FPs and the European Research Area activities are mutually-reinforcing and complementary: promoting free movement of researchers and circulation of knowledge and technology within the EU and beyond strengthens the EU added value of FPs activities. By enabling, joint use of knowledge, methods, infrastructures, staff, and data, they will give Europe the assets needed to attain the Sustainable Development Goals, and position Europe as a committed global leader. FPs also have the potential of creating emblematic successes within the EU, as well as contributing to an ever closer union among the peoples of Europe. Consequently, FPs must become a keystone of the post 2020 EU political agenda. This calls for better branding with a permanent name for the ***Programme***, allowing it to become a world class landmark for research and innovation communities. In addition, FPs budget should be proportionate to their scientific and innovative ambitions, thus ensuring an appropriate success rate. ERAC 1207/17 MI/evt 7 ANNEX DG G 3 C EN This ERAC opinion addressed to the Council and to the Commission is to be regarded as a contribution to the ongoing discussions regarding the future of the European Union’s funding ***programmes*** for R&I. It takes into account the findings of the stakeholder consultations as well as the ERAC related groups’ stances, the national positions issued in the context of the Horizon 2020 Interim Evaluation, the Commission Staff Working Document1 on the Interim Evaluation of Horizon 2020 , the MS/AC’s experiences with the pathbreaking preparatory and pilot actions under the last work ***programmes*** in Horizon 2020 (in particular the EIC preparatory phase), as well as the first set of national position papers regarding the successor framework ***programme*** for research and innovation (hereinafter named as 9th Framework ***Programme***, “FP9”). This document is not intended to give an exhaustive view of the ERAC members on all the sets of policies, ***programmes*** and actions covered by the FPs. Rather, it aims to provide a guide for the evolution of Horizon 2020 and the preparation of the FP9, by highlighting the main achievements of Horizon 2020 in the eyes of the community involved in the ERA and the main areas that still need to be further improved. The paper reflects observations and discussions of numerous stakeholders, trying to identify the topics which obtained a broad agreement between the various partners consulted. It should not be regarded as a commonly agreed view of the Member States/associated countries (MS/AC) or the European Commission. It does not prejudge forthcoming Commission proposals for the next ***programming*** period, neither does it represent the Commission's views on these future ***programmes***, and will not overrule any later Council position in the official negotiation phase for FP9. 1 European Commission SWD (2017) 220 final: In depth Interim evaluation of Horizon 2020. ERAC 1207/17 MI/evt 8 ANNEX DG G 3 C EN The document is therefore divided into two parts: • The first chapter which highlights the positive items observed with Horizon 2020 (H2020) and which the R&I community wishes to see maintained in the next stages. • The second chapter focuses on major areas where improvement is needed. ERAC 1207/17 MI/evt 9 ANNEX DG G 3 C EN CHAPTER 1: MAIN SUCCESSES OF H2020 A. The main features of the ***programme*** are widely appreciated by participants and MS/AC a) A holistic ***programming*** based on a sound architecture, and timeframe The ERAC welcomes the merging of the main R&I EU ***programmes*** into the 3 three pillars of H2020, which has proven beneficial: • To the MS/AC: The funding of the whole chain of R&I can mirror/incentivize efforts to holistic approaches to support R&I national ecosystems. • To the Commission: The integrated approach helps streamlining work processes among the Directorates General (DGs) and agencies of “research family”. It has already been improved the creation of appreciated common services dedicated to R&I projects (e.g the Common Support Center). • To the stakeholders: The publication of a single work ***programme*** favours the selection of the best opportunities. In addition, the 2-year work ***programme*** cycle provides the necessary maneuvering room to anticipate the participation, notably for establishing partnerships and for organizing internal efforts of the stakeholders properly. This medium-term approach has been balanced by enough flexibility to address pressing needs (e.g response to Ebola and Zika outbreaks). Nevertheless, important improvements are necessary to involve the ***Programme*** Committees earlier in the process of drafting the ***strategic*** ***programming*** The ERAC recognizes that one of the critical success factors for Horizon 2020 has been its focus on excellence and impact. ERAC 1207/17 MI/evt 10 ANNEX DG G 3 C EN b) The current funding mix is consistent with the nature of R&I activities The ERAC recalls that excellent research and innovation activities are risky endeavors that call for appropriate funding schemes, taking into account for instance the TRL2 /closeness to the market. For the frontiers of knowledge to be pushed forward, it is necessary to give the participants a predictable funding model with enough flexibility to mitigate uncertainties and risks linked to the scientific outcomes of their activities. The ERAC considers that grants currently represent the best option to support excellence and impact in the field of R&I. They do not stifle creativity by linking the funding to pre-defined results, as other financial instruments would. They allow the consortia from academia and industry to test out riskier approaches and provide “beyond the state of the art” solutions. Whereas the ERAC agrees that an appropriate balance between complementary instruments (grants and financial instruments) supporting R&I should be ensured, it must be noted that an important number of stakeholders notably from academia, cannot participate in loan-based schemes. Overall, the challenge is to ensure that the choice of funding instruments mirrors the specific objectives of the initiatives. 2 TRL : Technological Readiness Level. ERAC 1207/17 MI/evt 11 ANNEX DG G 3 C EN c) Simplification under H2020 represents a key step towards a more user-friendly environment The ERAC welcomes the wide appreciation of the simplification features in H2020. It represents an important step in the right direction. • At ***programme*** level, the quality of the evaluation process is recognized as a key achievement to be preserved and to be enhanced especially regarding the feedback given to the proposals which are not retained for funding. This quality can be substantiated by the very low rate of redress requests sent to the Commission (600 out of more than 152600 proposals3). • At project level, a lot has been done in order to offer a user-friendly environment: single funding rate, reduced time to grant, optimized participant portal, innovative services such as the CSC. B. H2020 integrates valuable initiatives, instrumental to the achievement of the ERA a) Examples of high value tools The ERAC welcomes the successes4 achieved so far by several funding schemes of the FPs : • ERC: The ***programme*** has become one of the most attractive research funding bodies at global level. Beyond its outstanding scientific impact, ERC has contributed to transnational mobility career opportunities across the ERA and beyond and strengthened the quality and effectiveness of the whole European science system. • Infrastructures: They ensure the access to excellent infrastructures and data to the R&I stakeholders across ERA whilst facilitating the overall coherence of the investments by the MS/AC 3 European Commission: Horizon 2020 Monitoring Report 2015. 4 European Commission SWD (2017) 220 final: In depth Interim evaluation of Horizon 2020. ERAC 1207/17 MI/evt 12 ANNEX DG G 3 C EN • Partnerships: Public-public partnerships (ERA-NETs, EJPs, Art 185 initiatives and JPIs) are a cornerstone for a more coordinated implementation of national and European research ***programmes***, aligning resources and policies on common challenges. Public-Private Partnerships (JTIs and cPPPs) trigger togetherness and additional investments to develop new technologies, products and services which will give European industry a leading position on world markets. • Marie Skłodowska-Curie actions: MSCA have actively supported training and career development of over 100.000 internationally mobile researchers that have led to significant impact in terms of excellent research results and innovations. The renown of the ***programme*** should be an example for the improvement of FPs communication efforts. • Collaborative R&I projects in the areas of Future and Emerging Technologies, “Leadership in enabling and industrial technologies” (in particular Key Enabling Technologies) and “Societal challenges”: The collaborative approach has been pivotal in establishing endurable networks of cooperation of different types of actors across Europe. They have been an important contribution to Europe’s competitiveness and to tackling the grand societal challenges. The involvement of the whole R&I chain and the active involvement of end users support the structuration of EU R&I ecosystems through emulation. This approach needs to further take into consideration the need for an appropriate success rate, so as to ensure that more excellent proposals will get funded. ERAC 1207/17 MI/evt 13 ANNEX DG G 3 C EN b) H2020 support for the ERA process The ERAC stresses that H2020 actively contributes to the achievement of the ERA. • Improvements of national systems: The Policy Support Facility was successfully launched under H2020 to complement the European Semester process. It allows MS/AC to request support, on a voluntary basis, in enhancing the effectiveness of their national research and innovation policies. The PSF has developed a set of activities which are both country-based (Peer Reviews and Specific Support) and topic based (Mutual Learning Exercises). The demand for PSF activities has increased rapidly and they actively contribute to improving the quality of national R&I systems. • Optimal transnational cooperation: H2020 has provided support to MS/AC-driven Joint ***Programming*** Initiatives, mainly through a series of CSAs and ERA-NET Cofund actions, as well as further coordination instruments such as art 185. However, there is still a pending issue regarding the sustainability for some of these initiatives. They have been crucial to provide incentives for national RFOs5 (and RPOs6 to some extent) to progress toward aligning rules and coordinating research agendas. Moreover, the “Infrastructures” ***programme*** provides specific funding for implementation and development of research infrastructures of pan European interest, in line with the ESFRI roadmap. 5 Research funding organization. 6 Research performing organization. ERAC 1207/17 MI/evt 14 ANNEX DG G 3 C EN • Mobility and Human Resources: Several ***programmes*** within H2020 are dedicated to the mobility of researchers, in particular Marie Skłodowska Curie Actions, Euraxess, but also the ERA-Chair instrument. Moreover, H2020 also promotes the modernization of Human Resources policies, notably by referring to specific recommendations in the Model Grant Agreement relating to the Charter and the Code. Research careers still remain an important issue to be tackled at national and EU levels, as well as the monitoring of the circulation of researchers inside the ERA. • Gender: Gender is a cross-cutting issue in H2020 and gender balance is used as a ranking factor for H2020 proposals with the same score. Moreover, several topics in all ***programmes*** include a gender dimension, in addition to the Science with and for Society (SWAFS) ***programme***, which includes calls specifically dedicated to gender. Monitoring in this area should be continued. • Knowledge Circulation: The 100% Open Access policy in H2020 is a clear measure in favor of knowledge circulation, along with the Open Data pilot. In principle, FPs should encourage open access schemes to foster a wide dissemination of the project outcomes – eg. results and research data – (albeit offering opt-out schemes notably when commercially relevant and/or sensitive data is involved), and take further steps to promote and support the European Open Science agenda. • International cooperation: International cooperation is also an ERA priority, and H2020 has targeted a broad international outreach; however, international cooperation needs to be intensified. See next chapter for improvements on this priority. ERAC 1207/17 MI/evt 15 ANNEX DG G 3 C EN CHAPTER 2: MAJOR IMPROVEMENTS EXPECTED IN FPS A. The further achievement of ERA must be reaffirmed as a top priority of the FPs FPs are instruments that should, inter alia, underpin the achievement of the ERA. The FPs should represent a ***strategic*** approach involving the multilevel dimension. The ERAC considers that next FPs should strive to fully embrace this political ambition. By doing so, they will enhance their European Added Value, complementing R&I activities of MS/AC and their regions in a coherent and ***strategic*** approach. However, it should always be the prerogative of national authorities to select, and decide on, national R&I activities that contribute to matching their national R&I ecosystems with the broader ERA objectives. The ERAC observes that when it comes to the grand societal challenges, MS/AC and the Commission have ***strategic***, structural, and financial means at their disposal that they should use more coherently to promote the impact of such R&I activities. The ERAC notes that many countries struggle with engaging sectoral policies, end-users and citizens, which would be crucial for leveraging the impact of R&I on end-of-pipe products, services and regulations. The coupling of resources and knowledge and a joint ***strategic*** effort offers important European added value. The ERA aims at creating a competitive single area for research and innovation in Europe. This objective requires a level playing field for all MS/AC. To date, for a variety of reasons, the components of national R&I systems are far too dispersed, which leads, amongst other effects, to a worrying participation divide in the FPs. Excellence can be found everywhere within the ERA and must be evaluated and supported without any bias, so that equal opportunity for competing and getting funded at EU level is ensured. ERAC 1207/17 MI/evt 16 ANNEX DG G 3 C EN The ERAC raises the following proposals to strengthen the FPs’ support for the achievement of the ERA: • The ERAC calls on the MS/AC and the Commission to strive for the improvement of the overall governance of the ERA initiatives. On the one hand, there should be more co- construction between MS/AC and the Commission as regards priority setting, particularly when it comes to joint ***programming***. On the other hand, MS/AC and the Commission should better involve all the ***programming*** actors to build a well-functioning multi-level governance of R&I activities. • FPs should continue to address all ERA priorities through a variety of actions. From that perspective, the ERA-related groups have a major role and the dialogue between these groups and the DG RTD should be deepened. Monitoring should be continued in order to ensure that all ERA priorities are addressed throughout the whole FP. The ERAC therefore welcomes all inputs from ERA-related groups on each priority in the context of the preparation of the next FP. • For effectively addressing the grand societal challenges, the ***strategic*** design, governance and implementation of EU and national R&I activities should be aligned, on a voluntary basis, in the form of a ***strategic*** approach that promote interdisciplinary, trans-border research and innovation communities in all MS/AC. FPs should support these efforts in a flexible manner, with cofunding conditional to the existence of high EU added value. • In governance and priority making, the FPs should also draw inspiration from existing partnership platforms such as JPIs and ETPs to promote the involvement of MS/AC and stakeholders, whilst keeping the FP ***programme*** committee remit. ERAC 1207/17 MI/evt 17 ANNEX DG G 3 C EN • The FPs should celebrate successful ERA reforms in MS/AC by calling on national authorities to propose major achievements under their national ERA Roadmaps as candidates for a prestigious ERA award. In addition, the existing Policy Support Facility could be expanded in order to become a Knowledge Hub for each ERA Priority for all MS/AC if and when they ask for help. B. Active openness and Simplification The ERAC considers that the so called “productivity paradox7 ” observed in Europe is partly due to the slow dissemination of innovation from the technology frontier actors to the rest of society. The ERAC welcomes the openness of H2020 to all R&I stakeholders of ERA and beyond. This principle, along with the multi-actor approach, is necessary to maximize FPs impact. Though, for the sake of effectiveness, the opportunities of openness should be bolstered by an enhanced attention striving for the inclusion of excellent individual R&I stakeholders. The ERAC stresses that this is a shared responsibility to be addressed both at the MS/AC and EU level. The ERAC considers that at EU level, it is necessary to build on openness to frame a facilitating strategy for access to FPs activities. For instance, further openness of established networks should be encouraged, also with an appropriate balance between small and large actions. The ERAC recalls that as regards the FPs, excellence and impact have to remain the overruling criteria for selection. To promote the excellence of the EU R&I ecosystems, national reforms are vital. FPs and other EU ***programmes*** must be attentive to inclusiveness and provide tailor made solutions for impediments to participation of excellent R&I newcomers in international consortia,, as participants as well as coordinators. This can also be ensured by further simplification and by better targeted communication. 7 European Commission: The economic rationale for public R&I funding and its impact, 2017. ERAC 1207/17 MI/evt 18 ANNEX DG G 3 C EN a) Active openness The ERAC stresses that functional synergies between the FPs and European structural and investment funds (ESIF) should be increased, notably for enhancing R&I performance of less-performing regions and stakeholders, and fully integrating their underexploited potential into the ERA. FPs are a key to offer access to networks and knowledge dissemination and solutions. The ERAC considers that capacity building, networking and research infrastructures could play a key role in enhancing openness and inclusiveness. Complementarities between R&I and cohesion policies have to be fully organized, bearing in mind the rationale and targets of the different ***programmes***. In addition, the following actions might be promoted: • The so called participation gap substantiates the need for maintained actions in the FPs as well. The efforts should aim at ensuring the openness of the networks as well as strengthening widening actions. • Co-funding of R&I activities by the ESIF could be simplified in depth and implementation rules streamlined, notably with regards to EU State Aid rules. Rules and conditions applying in the same policy area should be aligned. • ESIF should enhance incentives for national funding of research and innovation activities. • ESIF should increase the opportunities for transnational cooperation and public-public partnerships. • Synergies between ESIF and FP should be developed on a systemic level, already in the ***programming*** phase as a prerequisite for the implementation of the instrument where appropriate. ERAC 1207/17 MI/evt 19 ANNEX DG G 3 C EN • The collaborative dimension of the FPs is an asset to bridging the innovation gap. Collaborative R&I projects in the FPs should remain a top priority. Balance between large partnerships and small/medium-sized collaborative research projects should be promoted. • For the sake of impact, all relevant stakeholders should be involved: this is for instance the case for Social Sciences and Humanities (SSH) which are essential to addressing grand societal challenges, as many, if not all, societal challenges are related to issues which need this specific expertise (from the use of antibiotics to the development of new ICTs or the fight against climate change). This means that topics for funding in societal challenges cannot be seen as mono-disciplinary calls. • Similarly, citizens and civil society should be more involved. The participation of those actors cannot be restricted to the issue of a posteriori technological acceptance but should be based on co-construction and co-creation. Furthermore, inclusiveness also concerns gender equality, including the gender dimension in research content. Gender equality contributes to the excellence, inclusiveness and relevance of research to society. b) Simplification The ERAC considers that the implementation of EU ***programmes***, including FPs, has created a very complex ecosystem where researchers and entrepreneurs struggle to find the options that best suit their specific interests and needs. Entering into and maintaining a consistent position in the EU system needs a steady effort which could be difficult and costly to achieve, especially for unexperienced researchers and innovators. It is thus necessary to further simplify the EU R&I landscape, to help attract new comers. The ERAC expresses a clear preference for keeping H2020 and the future FPs as simple as possible, while covering the whole innovation cycle. As a principle, the architecture of the ***programme*** should prove understandable to the whole range of stakeholders and policy makers. ERAC 1207/17 MI/evt 20 ANNEX DG G 3 C EN To simplify the landscape, a careful screening of all current initiatives is necessary. Their overall number could be reduced, taking into account feedback from the stakeholders. The ERAC notes that numerous other sectorial initiatives co-exist outside H2020 in fields such as Health, Justice, Defense, Space-ESA, Environment, Regional Policy, etc., managed by their thematic DGs, with their own distinct rules, their own calendars and often with evident thematic duplication with H2020. The ERAC is convinced that simplification should be further developed in order to design even more user-friendly tools and rules. As regards the latter, the rules for participation to R&I projects funded partially or fully by the EU should be unified as much as possible, however leaving sufficient flexibility for special arrangements. This would enable a relevant decrease in the transaction costs associated with the participation in the EU R&I initiatives. In this respect, the ERAC recommends: • The use of unified rules for a truly bottom-up Small and Medium Enterprise (SME) Instrument under the preparatory phase of EIC. • The implementation of the pilot action on lump sums, with its implicit reduction of the administrative burden for stakeholders, might constitute a promising step towards simplification with examples to be replicated in other parts of H2020 and future FPs provided the positive assessment of the pilot action. • Next FPs should be implemented with a participant portal encompassing all information related to any initiative funded or co-funded by the FPs. • There should be a continued dialogue between the Commission, MS/AC and the stakeholders, based on the useful “waves of simplification”. ERAC 1207/17 MI/evt 21 ANNEX DG G 3 C EN • The ERAC asks the Commission to promote Rules and procedures which are clear, simple and consistently interpreted by all the relevant Commission services in an unchanged way throughout the implementation of one whole FP. • The ERAC welcomes the reduction of time to grant in H2020 and asks for a further reduction where appropriate in the next FP. • The ERAC suggests that existing instruments should be reviewed and any new ones should be launched with a sunset clause in order to avoid the multiplication of the funding schemes. • The ERAC considers that simplification of funding schemes is especially pressing as regards to the joint ***programming*** activities: instead of ERA- NET EJP Co-Funds, the next FPs should consider a single scheme, flexible enough to be adapted to the specific needs, and simple enough to achieve value for money for the funding organisations. It should take the key role in est

ablishing networking structures and provide long-term and flexible co-funding of transnational research projects. A centralised procedure for the implementation of the calls it supported. C. International cooperation has to be relaunched and supported The ERAC recalls that International cooperation is a key transversal priority of H2020, which contributes to efficiently promote and strengthen the Union’s attractiveness and competitiveness, to tackle global societal challenges and support EU external policies. The ERAC notes that the initial objective for the participation level of Third Countries entities, as defined by H2020’s Specific ***Programme***, has not been met. Since its beginning, the participation of third countries (not associated with H2020) in H2020 has dropped to 2.4% compared to 4.9% (collaborative projects) in FP7, despite the fact that the number of topics flagged with international cooperation relevance increased from 12% in FP7 to 27% in WP 2016-17 of H2020. ERAC 1207/17 MI/evt 22 ANNEX DG G 3 C EN Some MS/AC-driven initiatives such as JPIs, art 185 TFEU, or COST and Eureka ***programmes***, are successful regarding third country participation. Thus, next FPs should build on these successes and expand the use of science diplomacy. The ERAC is convinced that close and longstanding cooperation with scientific teams from all over the world is necessary to ensure the competitiveness of European research and attractiveness of the EU as a whole and to demonstrate joint responsibility for tackling the global challenges which can only be achieved through a global effort. The ERAC highlights several proposals to increase third country participation in FPs: • The Commission should be supported in its effort to encourage the main international partner countries of the EU to implement a stable dedicated instrument (e.g matching funds) to enable participation in the FPs. • Opportunities for international cooperation should be highlighted more clearly through better coordination among DGs in charge of different parts of FP9, inter alia by using a central nexus to disseminate all the useful information. • The ***strategic*** coordination between the European Commission and the MS/AC needs to be reinforced, notably via the SFIC, to ensure that international cooperation gains the proper visibility. The existing panorama of MS/AC operating structures (e.g Research Performing Organisations’ representation bureaus, joint labs), instruments (e.g mobility schemes, bilateral/multilateral funding schemes) and networks should be better taken into account. • Possibilities for synergies between FPs and R&I national strategies with third countries should be more actively explored so as to foster the idea of a joint ownership. ERAC 1207/17 MI/evt 23 ANNEX DG G 3 C EN • Specific actions for international cooperation with mandatory third country participation (in the spirit of the FP7’s SICA actions) should be considered in key areas where there is common interest and specific added value for the EU and the third countries, also taking into account the dimension of Science Diplomacy. • Synergies between FPs and the initiatives of DG DEVCO (EuropeAid) should also be more fully exploited. D. Measures for boosting innovation In general, underinvestment in R&I in Europe, the lack of strong leadership and governance, constraining regulatory frameworks and limited access to private capital are hampering the full exploitation of knowledge generated in Europe. Currently, there is a huge variety of financing and funding ***programmes*** co-existing at regional, national and European levels. Innovators, especially SMEs, start-ups and scale-ups are overwhelmed by this diverse landscape. The key challenge is to identify, connect and streamline the most effective measures to boost innovation. Following the objectives of growth and jobs, the different local and national framework conditions have to be taken into account and an European Innovation Ecosystem should be built. Particularly, SMEs, start-ups and scale-ups need better orientation and support to successfully bring their innovations to the market. Innovation support systems should work closer together and be tailored to the companies’ and entrepreneurial needs. A renewed innovation strategy for the next ***programming*** period (“Beyond Europe 2020”) must aim to gather industry (including SMEs and MidCaps), academia, policy makers, regulatory bodies, public procurers, civil society organisations and other relevant actors around common visions and objectives. This forthcoming strategy should also take into account the contribution to innovation given by the Excellent science and the Societal challenges pillars. ERAC 1207/17 MI/evt 24 ANNEX DG G 3 C EN The ERAC stresses several proposals to improve the effectiveness in innovation in FPs: • Transnational innovation pipelines have to be accompanied by an elaborated support ecosystem for open innovation (i.e public innovation services, innovation agencies, clusters, innovation hubs, private consultants, smart regulation, and venture capitalists). • On the implementation level, the European Innovation Council (EIC) should be designed as an innovators’ guide and a single entry point via the participant portal. • The EIC should be one important element of the Union’s measures to support closer-to-market innovations within an industry-driven pillar. It should rationalize and complement the existing innovation instruments such as the EIT/KICs, the JTIs and EUREKA/Eurostars. • An extensive, systematic overview of existing European innovation policy instruments (i.e financing, funding, tax incentives) must be ensured so as to adjust or phase out ineffective and overlapping measures. • SME participation should be supported in all FPs activities. • Major instruments under the EIC might be inducement prizes (e.g a prestigious annual competition for novel approaches to stimulate innovation culture and mind-set), risk finance facilities for “ready-to-market” single-company support, grant-based cooperation schemes (cf. FTI), FET Open (to target bottom-up early stage collaborative research actors at low TRL levels), EIT and a renewed single-company instruments complementary to national efforts. Moreover, the SME instrument should be flexible to account for SMEs with a high potential for disruptive innovations and scales-ups, different product cycles (for instance drug development compared to software development). ERAC 1207/17 MI/evt 25 ANNEX DG G 3 C EN • As especially disruptive innovations cannot be ***planned*** by policy makers, bottom-up approaches should be pursued. However the MS/AC should be closely involved in the set up and implementation of the EIC. • Last but not least, to fully explore the innovative potential, gendered innovation methods should be employed where needed, in order to increase the uptake and relevance of innovation by all society. E. Organize a better coherence between R&I and higher education as well as other EU sectoral policies The ERAC notes that the ambition of maximizing the impacts of EU sectoral policies leads to setting the FPs in light of the overall ***strategic*** objectives of the EU. Indeed, stronger coherence between research and innovation and other sectoral policies, including higher education, is crucial in order to progress towards the overall objectives of enhancing competitiveness and solving societal challenges. As the outcome of the most recent European Semester cycle shows, R&I is increasingly seen as key drivers of growth and prosperity and as being crucial to tackling the EU's productivity gap. The growing importance of research and innovation in the EU's overall socio-economic strategy now needs to be translated into concrete policy action, which will in turn require relentless efforts to “make the case for R&I”, in terms of demonstrating performance improvements and their impact. EU R&I policy should feed other policies as different as cohesion, ***agriculture***, environment, climate, health, consumer rights, transport, tourism, energy, industry, jobs, migration and integration, or culture, education and sport. In order to promote evidence-based policies, there is a need for better integrating scientific outputs from FPs to sectoral policies. The integration of SSH expertise within projects will be key to integrate innovations into the relevant policy frameworks. ERAC 1207/17 MI/evt 26 ANNEX DG G 3 C EN A particularly important aspect in order to create stronger coherence with all the appropriated EU sectoral policies is the strengthening of synergies between the ERA and the European Higher Education Area (EHEA). The ERAC supports the following proposals: A more streamlined and coordinated cross-cutting approach between DGs: • The cross-cutting approach to sectoral policies, which was introduced with H2020, should be further strengthened. Better coordination and streamlining between the approaches of the various DGs could create better synergies and contribute to simplifying the research and innovation landscape. This also implies that all instruments funded by the FPs, to the furthest extent possible, be subject to a unique set of rules. • The development of a mission oriented approach, based notably on EU policy objectives, should be discussed between MS/AC and the Commission, with a view at strengthening the impact of the bottom-up and curiosity driven ***programmes***, FPs could also benefit from a strong narrative and thereby increase their visibility and relevance with regard to the other sectoral policies. For instance, the migration and integration challenges represent a policy issue where synergies between FPs and DG DEVCO should be promoted. Synergies between Research, Innovation and Higher education: • Stronger links between EHEA and ERA should be pursued. Notably, it is particularly important to explore the synergies between the EIT and the different KICs with other related activities in the FPs, such as the grand societal challenges as well as the innovation activities and the EIC. • The integration of the knowledge triangle could be more fully extended to the rest of the FPs. ERAC 1207/17 MI/evt 27 ANNEX DG G 3 C EN • The concept of the Knowledge and Innovation Communities (KICs) is of great value, especially in terms of fueling the next generation of innovative minds and entrepreneurs and in supporting the scaling up of companies. However, the administrative procedures related to KICs need to be simplified in order to be less resource-demanding and allow for a more inclusive approach, especially in the proposal phase. • Continuation of Marie Skłodowska-Curie Actions (MSCA) as a strong component of the FPs as they successfully enhance the skills and employability of researchers and promote excellence, mobility and knowledge exchange between academia and business. • Research consortia could be encouraged to develop and organize education and training activities targeting graduate and post-graduate to raise the impact of research projects funded by the FPs. It should be explored to what extent these knowledge exchange and transfer activities could be integrated into the eligible project costs. • Mobility activities within higher education as well as curriculum development and teaching activities (knowledge alliances and ***strategic*** partnerships) under Erasmus+ could be linked to research projects and/or European societal or industrial challenges addressed by the FPs. • In line with the Open Science Agenda and the need for training in this area, promote research on advanced and multidisciplinary exploitation of research data and simultaneously promote broad data literacy. ERAC 1207/17 MI/evt 28 ANNEX DG G 3 C EN F. The FPs activities deserve a better and continued dialogue with the European citizens. To justify a significant R&I budget in Europe, it is necessary to communicate its benefits to a larger audience: EU and national policy-makers, national governments and all society at large. The ERAC is of the opinion that the benefits from the EU research and innovation ***programmes*** are tremendous in the medium and long-term. The focus of communication should not be based only on the promotion of short-term successes of the current FP. An effective communication strategy should be put in place and efficiently implemented. It must emphasize that a continued, effective and solid effort of R&I ***produces*** economic growth and jobs, and gives tools for resolving social and environmental issues. The Commission should promote a long-term impact of the previous FPs to provide supporting evidence. The research and innovation cycle is long and all the benefits from R&I activities are not visible overnight. The ERAC notes that in a context of dwindling trust in EU and its institutions, we need to show that FPs are a great success for Europe, as much as Erasmus is for education and training, both in terms of scientific achievements and propagation of the European values of freedom and inclusion. Furthermore, in order to successfully address societal challenges, it is absolutely necessary to enhance uptakes of scientific results by policy-makers but also by all citizens, which justifies the importance of communication and dissemination. However, it appears more and more clearly that science uptake by society cannot be optimal if the links between science and society is seen in one way only, meaning top-down communication from scientists to the citizens. On the contrary, there are clear benefits to engage more society at large in science processes (with various means and mechanisms that can be referred to as “citizen science”). This will also have a very positive impact in terms of propagation of the scientific methodology in a context of decreasing trust in science.. ERAC 1207/17 MI/evt 29 ANNEX DG G 3 C EN The ERAC thus proposes to: • Elaborate a communication ***plan*** devoted to EU R&I. • Develop a brand for FPs with the goal of reaching the same level of visibility and fame as for Erasmus. • Continue to promote the participation of non-academic stakeholders (such as Civil Society Organisations or other structures representing citizens) in projects addressing societal challenges. • Maintain a specific ***programme*** dedicated to the relations between science and society while maintaining a transversal approach building on Responsible Research and Innovation. ERAC 1207/17 MI/evt 30 ANNEX DG G 3 C EN CONCLUSION As recalled recently in the White paper on the future of Europe8 , Europeans are facing a changing economy in an evolving world, with new risks and opportunities. The ERAC considers that R&I represent an outstanding asset in this context. Indeed, on the one hand, the big challenges ahead undoubtedly constitute a source of inspiration for the advancement of knowledge and the creation of innovative solutions. On the other hand, the longstanding cooperation among the European R&I ecosystems provides a clear example of the success of the European integration project. For instance, the support of collaborative research is a key driver of the Europeanization of National job markets in research. The ERAC thinks that H2020 and the future FPs should be set so as to tap the whole creativity potential of these excellent ecosystems. The ERAC welcomes the tremendous interest shown by the stakeholders as regards to the interim evaluation of H2020. It considers that this outstanding interest represents a clear political momentum to promote the advancement of knowledge and the realization of the European project The ERAC invites the Commission to take into account these expectations for the preparation of the next FP and its linkages with the other EU policies. The ERAC considers that the Commission should aim at building on the main successes of H2020 (3 pillars structures, collaborative projects funded by grants, bottom up approach, civilian nature). This evolutionary approach will enable a smooth transition between H2020 and the next FP, which is crucial. 8 European Commission COM 2017 (2025) final: White paper on the future of Europe, Reflections and scenarios for the EU27 by 2025. ERAC 1207/17 MI/evt 31 ANNEX DG G 3 C EN The ERAC stresses that the effectiveness gains in the FPs should be extended to all R&I schemes funded by the EU, with a view to setting one set of rules of participation. This effort will then favor the realization of synergies among the EU and MS/AC policies related to the knowledge triangle. The next FP should take into account the multi-level governance of the European R&I landscape and strengthen the cooperation between the European Commission and Member States in its governance and priority-making. The ERAC thinks that this simplified framework will be key to making scientific and innovation excellence a driver of economic, social and environmental progress and inclusiveness across Europe.

**Load-Date:** September 7, 2017

**End of Document**



[***-Sadara the World's Largest Chemicals Complex Built in a Single Phase, Commemorates Commissioning of All 26 Plants***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P87-2X71-F0K1-N36Y-00000-00&context=1516831)

ENP Newswire

August 16, 2017 Wednesday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 1449 words

**Body**

JUBAIL, Saudi Arabia - Sadara Chemical Company (Sadara), a joint venture between Saudi Aramco and The Dow Chemical Company, today celebrates the commissioning of the last of its 26 plants an isocyanates section currently ***producing*** crude quantities of toluene di isocyanate (TDI) and other specialty chemicals.

The landmark commissioning milestone was celebrated in the presence of Saudi Arabia's Minister of Energy, Industry and Mineral Resources and Saudi Aramco Chairman, His Excellency Khalid A. Al-Falih; Dow Chairman and CEO Andrew Liveris and Ahmad Saadi, Chairman of Sadara and Saudi Aramco Senior Vice President of Technical Services at the Sadara complex in Jubail Industrial City II.

A first for the Gulf region, the TDI section is mainly used in the production of flexible polyurethane foam for furniture, mattresses, cushioning and car seats. TDI also has a variety of industrial uses, such as coatings, adhesives, sealants, specialty foams and other products.

The TDI section consists of three integrated units ***producing*** di nitro toluene (DNT), toluene di amine (TDA), and toluene di isocyanate (TDI). The DNT and TDA units started operations in April, and the TDI unit began crude production this week.

The isocyanates envelope also includes an unprecedented integrated facility ***producing*** PMDI or polymeric methylene di phenyl di isocyanate. The PMDI Plant began ***producing*** commercial quantities in early June.

Additionally, Sadara is ***producing*** another important polyurethane precursor - polyether polyols. The company's Polyols Plant came on-stream in late July.

The world's largest integrated chemicals complex ever built in a single phase, and established by the largest foreign direct investment in the Saudi petrochemicals industry, Sadara has been bringing its chemical plants on-stream in a carefully ***planned*** sequence and will ***produce*** more than three million tons of high-value performance plastics and specialty chemical products annually. Sadara's mixed feed cracker, the heart of Sadara's operations, started up in August 2016, cracking ethane gas and naphtha liquid feedstock to ***produce*** chemicals for the site's other facilities. Sadara's four polyethylene production units came on-line between late 2015 and early 2017.

Thirty-two polyethylene products have been qualified to-date, serving more than 600 customers in 70 countries. An additional four new polyethylene products will be added to Sadara's capabilities by year-end.

Sadara's specialty chemicals portfolio includes facilities that manufacture propylene oxide, propylene glycol, ethylene oxide, glycol ethers, amines, isocyanates and polyether polyols.

Al-Falih said, 'Sadara's commissioning positions the company to fully deliver its promise as a major catalyst for Saudi Arabia's economic future - a promise that will be felt in human terms.

'Sadara's slate of high-value chemicals, including many firsts for the Kingdom and the region, will create the quality performance, value-added and plastics products that support a higher living standard around the world, especially in the emerging Asia Pacific and Middle Eastern markets that will drive two-thirds of global petrochemical demand over the next decade.

'In addition to transforming the Kingdom from a consumer and importer to a global exporter, Sadara will create new value chains and technologies that will attract foreign and domestic investment, spurring new sectors and entrepreneurial business, and creating thousands of manufacturing jobs for Saudis. In this way, Sadara is perfectly aligned with the Kingdom's national transformation goals as expressed in Vision 2030. By driving non-oil sector growth, innovation and better-life opportunities, Sadara will deliver progress and prosperity now, and for generations to come.'

Liveris said, 'Today marks a pivotal moment for this game-changing joint venture - for Dow, our partners at Saudi Aramco and for the Kingdom of Saudi Arabia - delivering market-driven solutions that have never before been manufactured in the Kingdom and supporting the diversification of its economy in line with Vision 2030. Dow has been a ***strategic*** partner in Saudi Arabia for more than four decades and is the Kingdom's largest foreign investor. Commissioning of Sadara's final plant marks a pivotal moment in the history of this landmark public and private partnership that advances Dow's growth strategy and will help transform the Kingdom's rich resources into solutions for the world through a thriving manufacturing sector.'

Saudi Aramco President and CEO Amin H. Nasser called Sadara a major milestone in Saudi Aramco's ***strategic*** intent to become the world's foremost integrated energy and chemicals company.

'Sadara is a flagship chemicals project that significantly advances our ability to derive the maximum value from every hydrocarbon molecule, and to participate more broadly across the petroleum value chain,' Nasser said.

'The closer integration of Saudi Aramco's refining networks with chemical production brings greater resilience and robustness to our portfolio. Using raw materials provided by SABIC, SATORP and Sadara itself, the complex will transform raw materials and feedstocks into high-value products - a position of strength that drives business growth. Our strategy to make chemicals a top-tier global business will have a multiplier effect on jobs, industries and technologies, especially through industrial parks as a base for conversion industries making plastics and plastic products from petrochemicals. As a creator of entirely new products and industries, Sadara is a transformational company that will benefit all stakeholders.'

Sadara Chairman Ahmad Saadi said: 'Sadara has come a long way from the shareholder agreement signing six years ago, to the official inauguration in November. Yet the commissioning of all our plants is not the finish-line, but Sadara's start in meeting rising demand for high-quality chemicals, plastics and performance products, especially in emerging markets, and stimulating Saudi Arabia's industrial growth across the automotive, construction, manufacturing, pharmaceuticals and consumer goods sectors.'

The Sadara Chairman added: 'The future will be demanding, but our determination and commitment are more than equal to the task. Knowing Sadara's 'can do' attitude, I'm confident that we will exceed the expectations that our shareholders have set for us.'

Strategically located to benefit from competitive feedstocks, Sadara will serve the needs of Dow customers across the Asia Pacific, India, the Middle East, Africa and Central and Eastern Europe.

To date, Sadara has more than 4,100 employees, the majority of whom are Saudis. Almost 2,000 of these employees have completed intensive, technology-centric, on-the-job training (OJT) ***programs*** at various Saudi Aramco and Dow sites in Saudi Arabia and around the world for advanced chemicals production technologies knowledge. The Sadara OJT ***program*** is one of the largest and most sophisticated technological training ***programs*** ever undertaken by any company in Saudi Arabia.

In addition, the PlasChem Park, a world-class industrial park for chemical and conversion industries created by a collaboration between Sadara and the Royal Commission for Jubail and Yanbu, is expected to attract quality investments valued at 20 billion Saudi Riyals, and to create thousands of direct and indirect jobs.

About Dow

Dow (NYSE: DOW) combines the power of science and technology to passionately innovate what is essential to human progress. The Company is driving innovations that extract value from material, polymer, chemical and biological science to help address many of the world's most challenging problems, such as the need for fresh food, safer and more sustainable transportation, clean water, energy efficiency, more durable infrastructure, and increasing ***agricultural*** productivity. Dow's integrated, market-driven portfolio delivers a broad range of technology-based products and solutions to customers in 175 countries and in high-growth sectors such as packaging, infrastructure, transportation, consumer care, electronics, and ***agriculture***. In 2016, Dow had annual sales of $ 48 billion and employed approximately 56,000 people worldwide. The Company's more than 7,000 product families are manufactured at 189 sites in 34 countries across the globe. References to 'Dow' or the 'Company' mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted.

TM Trademark of the Dow Chemical Company ('Dow') or an affiliated company of Dow

Contact:

Rachelle Schikorra

Tel: +1.989.638.4090

Email: [*ryschikorra@dow.com*](mailto:ryschikorra@dow.com)

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** August 16, 2017

**End of Document**



[***Council of the European Union:Commission staff working document: Summary of Executive summaries Internal audit engagements finalised by the IAS in 2016 Accompanying the document Report from the Commission to the European Parliament and the Council Annual report to the Discharge Authority on Internal audits carried out in 2016 (Art 99(5) of the Financial Regulation) ST 12267 2017 ADD 1***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R13-FF01-JDG9-Y3H1-00000-00&context=1516831)

Impact News Service

November 21, 2017 Tuesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 56401 words

**Body**

Brussels: Council of the European Union has issued the following document:

12267/17 ADD 1 RGP/ab DG G 2A EN Council of the European Union Brussels, 18 September 2017 (OR. en) 12267/17 ADD 1 FIN 553 COVER NOTE From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 15 September 2017 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: SWD(2017) 306 final Subject: Commission staff working document: Summary of Executive summaries Internal audit engagements finalised by the IAS in 2016 Accompanying the document Report from the Commission to the European Parliament and the Council Annual report to the Discharge Authority on Internal audits carried out in 2016 (Art 99(5) of the Financial Regulation) Delegations will find attached document SWD(2017) 306 final. Encl.: SWD(2017) 306 final EN EN EUROPEAN COMMISSION Brussels, 15.9.2017 SWD(2017) 306 final COMMISSION STAFF WORKING DOCUMENT Summary of Executive summaries Internal audit engagements finalised by the IAS in 2016 Accompanying the document Report from the Commission to the European Parliament and the Council Annual report to the Discharge Authority on Internal audits carried out in 2016 (Art 99(5) of the Financial Regulation) {COM(2017) 497 final} 2 Contents CONTENT OF THIS STAFF WORKING DOCUMENT: ............................................................................... 8 PART 1: FINAL REPORTS ...................................................................................................................... 9 1. HORIZONTAL AUDITS .................................................................................................................. 9 1.1 Audit on the management of intra-muros contractors .................................................... 9 1.2 Audit on coordination and working arrangements with EU decentralised Agencies in DG SANTE and DG HOME ............................................................................................. 10 1.3 Audit on performance and coordination of Anti-Fraud activities in the Traditional Own Resources area .......................................................................................................... 15 1.4 Audit on the new Better Regulation agenda in the Commission - what is the state of play approximately one year after its adoption? ............................................................ 16 1.5 Audit on financial management in the SG, LS, EPSC and DGT .................................. 19 1.6 Audit on the early implementation of ESIF control strategy 2014-2020 in DGs REGIO, EMPL and MARE ............................................................................................. 20 1.7 Audit on effectiveness of simplification measures under 2014-2020 ESI Funds in DG EMPL, REGIO and MARE ............................................................................................. 24 1.8 Audit on the processes for managing and sharing data on agri-environmental-climate issues in DG AGRI, DG CLIMA and DG ENV .............................................................. 27 1.9 Audit on the procurement process in OIB, OIL and DG BUDG .................................. 30 1.10 Audit on the procurement process in DG COMM, DG Interpretation (SCIC) and EPSO/EUSA ....................................................................................................................... 33 2. ***AGRICULTURE***, NATURAL RESOURCES AND HEALTH .............................................................. 34 2.1 Audit on the design of DG AGRI's performance measurement system for the CAP 2014-2020 ............................................................................................................................ 34 2.2 Audit on DG AGRI's management and control system for Voluntary Coupled Support (VCS) ................................................................................................................... 36 2.3 Audit on public procurement in DG CLIMA ................................................................. 39 2.4 Audit on staff allocation and process management in response to staff reduction in DG ENV ............................................................................................................................. 40 2.5 Audit on pilot projects and preparatory actions in DG SANTE ................................... 40 3. RESEARCH, ENERGY AND TRANSPORT ..................................................................................... 41 3.1 Audit on Human Resources management in DG CONNECT ....................................... 41 3.2 Audit on closure of projects of legacy ***programmes*** in DG CONNECT ....................... 42 3 3.3 Audit on the management and functioning of Euratom Safeguards in DG ENER ..... 42 3.4 Audit on the supervision of ITER in DG ENER ............................................................. 43 3.5 Limited review of the calculation and the underlying methodology of the residual error rate for the 2015 reporting year in DG ENER ...................................................... 45 3.6 Audit on Human Resources management in ERCEA .................................................... 45 3.7 Audit on the coordination by INEA with its parent DGs during the key stages of the ***Strategic*** ***Planning*** and ***Programming*** cycle .................................................................... 46 3.8 Audit on competitive activities in DG JRC ..................................................................... 46 3.9 Audit on setting of objectives and measurement of performance in DG MOVE ........ 47 3.10 Audit on DG MOVE's monitoring of the aviation and maritime security policies, including related working arrangements with the EMSA Regulatory Agency ........... 49 3.11 Limited review of the calculation and the underlying methodology of the residual error rate for the 2015 reporting year in DG MOVE .................................................... 51 3.12 Audit on H2020 grant management in the REA: part a) from the preparation of the calls for proposals to the signature of the grant agreements part b) administrative logistical services provided for H2020 ............................................................................. 51 3.13 Limited review of the calculation and the underlying methodology of the residual error rate for the 2015 reporting year in the REA ......................................................... 53 3.14 Audit on Human Resources management in the REA ................................................... 54 3.15 Audit on procurement in DG RTD .................................................................................. 55 3.16 Audit on H2020 project management in DG RTD ......................................................... 56 3.17 Audit on the implementation of the FP7 ex-post audit strategy by the Common Audit Service in DG RTD ............................................................................................................ 57 4. EXTERNAL ACTIONS .................................................................................................................. 58 4.1 Audit on payment deadlines in DG DEVCO .................................................................. 58 4.2 Audit on performance management system in DG DEVCO ......................................... 60 4.3 Audit on direct management of grants in DG DEVCO (DCI and EDF) ...................... 61 4.4 Audit on the instrument contributing to stability and peace in FPI ............................. 62 4.5 Limited review of DG NEAR's residual error rate methodology and calculation for the 2015 reporting year ..................................................................................................... 63 4.6 Audit on risk management in DG NEAR ........................................................................ 65 4 4.7 Review of the tender procedure EuropeAid/133797/DHL/SUP/XK, following the article 99(4) complaint received on 20 March 2016 (DG NEAR) ................................. 67 4.8 Audit on procurement under the Instrument for Pre-Accession (direct management and indirect management with beneficiary countries) – phase I .................................. 67 5. EDUCATION AND CITIZENSHIP .................................................................................................. 68 5.1 Audit on performance management systems in DG EAC, including the contributions of executive agencies and national agencies to the achievement of policy objectives .. 68 5.2 Audit on DG HOME's management of emergency assistance in the context of the migration crisis .................................................................................................................. 69 5.3 Consulting engagement in DG HOME on the methodology for determining the 'materiality level' and measuring the 'residual amount at risk' for the Annual Activity Report ................................................................................................................................. 72 5.4 Audit on the management of grants under 2014-2020 Justice and Rights, Equality and Citizenship ***programmes*** in DG JUST ............................................................................. 73 5.5 IAS review on mapping of EC refugee crisis ***interventions*** ........................................... 75 6. ECONOMIC AND FINANCIAL AFFAIRS ....................................................................................... 75 6.1 Audit on effectiveness of the management of the COSME ***Programme*** by EASME .. 75 6.2 Audit on financial management, procurement and grant processes in DG ECFIN .... 76 6.3 Audit on setting of objectives and measurement of performance in DG GROW ....... 77 6.4 Audit on financial management and IT procurement in DG TAXUD ......................... 78 6.5 Audit on ethics in DG TRADE ......................................................................................... 79 7. GENERAL SERVICES ................................................................................................................... 79 7.1 Audit on management of procurement under DG ESTAT's operational budget ....... 79 7.2 Audit on procurement and grants in OLAF ................................................................... 80 7.3 Audit on the governance, ***planning***, monitoring and implementation of the budget line of the OLAF Supervisory Committee .............................................................................. 81 7.4 Audit on the charge-back process in PMO ..................................................................... 81 8. IT audits ..................................................................................................................................... 82 8.1 Audit on effectiveness of measures to handle manual ***interventions*** in ABAC ............ 82 8.2 Audit on management of EESSI project in DG EMPL ................................................. 84 8.3 Audit on business continuity management at OP ........................................................... 86 8.4 IT governance and portfolio management in DG GROW ............................................. 88 5 8.5 Audit on IT security in JRC ICT systems ....................................................................... 90 PART 2: FOLLOW-UP ENGAGEMENTS (SUMMARISED) ...................................................................... 93 1. Follow-up audit on the design of DG AGRI's management and control system for greening .............................................................................................................................. 93 2. Follow-up audit on payments suspensions and interruptions in the 2014-2020 CAP framework .......................................................................................................................... 94 3. Follow-up audit on the management of the approval process of the 2014-2020 Rural Development ***Programmes*** (RDPs) .................................................................................. 95 4. Follow-up audit on gap analysis of new legislation/design of 2014-2020 ***programming*** period of European Structural and Investment Funds Phase 2 in DG MARE ........... 96 5. Follow-up audit of IAC recommendations in DG SANTE ............................................ 96 6. Follow-up audit of management and supervision of contracts for the outsourced IT services in DG SANTE ...................................................................................................... 97 7. Follow-up audit on preparations for use of financial instruments under 2014-2020 in DG EMPL .......................................................................................................................... 97 8. Follow-up audit on preparations for use of financial instruments under 2014-2020 in DG REGIO ......................................................................................................................... 97 9. Follow-up audit on gap analysis of new legislation/design of 2014-2020 ***programming*** period of European Structural and Investment Funds' (ESI Funds) Phase II ............ 97 10. Follow-up audit on the governance and supervision of the nuclear decommissioning assistance ***programmes*** in DG ENER .............................................................................. 99 11. Follow-up audit on the supervision of the implementation of CEF in DG ENER ....... 99 12. Follow-up audit on the management and functioning of Euratom safeguards in DG ENER .................................................................................................................................. 99 13. Follow-up audit on procurement management in JRC ............................................... 100 14. Follow-up audit on ***strategic*** ***planning*** and ***programming*** / activity based management in JRC ............................................................................................................................... 100 15. Follow-up audit of IAC recommendations in JRC ....................................................... 101 16. Follow-up audit on the supervision of the implementation of CEF in DG MOVE ... 104 17. Follow-up audit on the implementation of FP7 control systems (including supervision of external bodies) in DG RTD ....................................................................................... 104 18. Follow-up audit of the set-up of the common support centre for H2020 ................... 104 19. Follow-up audit on EDF grants in DG DEVCO ........................................................... 104 6 20. Follow-up audit on Budget Support in DG DEVCO .................................................... 105 21. Follow-up audit of IAC recommendations in DG ECHO ............................................ 105 22. Follow-up audit of IAC recommendations in DG NEAR ............................................ 105 23. Follow-up audit on performance audit of National Agencies (DG EAC) ................... 106 24. Follow-up audit on preparedness of DG HOME for 2014-2020 legislation in shared management (ISF and AMIF) ........................................................................................ 106 25. Follow-up audit on knowledge management in DG COMP ........................................ 106 26. Follow-up audit on the preparedness of the management and control systems for the SME instrument in EASME ........................................................................................... 106 27. 2nd Follow-up audit on HR management in response to the financial crisis in DG ECFIN .............................................................................................................................. 107 28. Follow-up audit on risk management and ***planning*** processes in the new economic governance context in DG ECFIN ................................................................................. 107 29. Follow-up audit of IAC recommendations in DG ECFIN ........................................... 107 30. Follow-up audit of IAC recommendations in DG FISMA ........................................... 108 31. Follow-up audit on the performance of DG GROW's supervision of ESA's implementation of Galileo ............................................................................................... 109 32. Follow-up audit of IAC recommendations in DG GROW .......................................... 109 33. Follow-up audit on the customs performance measurement system in DG TAXUD 109 34. Follow-up audit of IAC recommendations in DG TAXUD ......................................... 110 35. Follow-up audit on financial and procurement management in DG TRADE ........... 111 36. Follow-up audit of IAC recommendations in OIB ....................................................... 111 37. Follow-up audit of IAC recommendations in DG SCIC .............................................. 111 38. Follow-up audit of IAC recommendations in DG ESTAT .......................................... 112 39. Follow-up audit on management of local IT in DG AGRI .......................................... 113 40. Follow-up audit on IT governance in DG Budget ........................................................ 114 41. Follow-up audit on management of European Commission Authentication Service - ECAS ................................................................................................................................ 114 42. Follow-up audit of IAC IT recommendations in DG DIGIT ....................................... 114 7 43. 2nd Follow-up audit on management of local IT in DG ESTAT .................................. 115 44. 2nd Follow-up audit on management of local IT in DG MARE ................................... 116 45. 2nd Follow-up audit on management of local IT in DG TRADE ................................. 117 46. Second follow-up to the performance audit on the Anti-fraud Information System (AFIS) by the former Internal Audit Capability at OLAF.

......................................... 117 List of follow-up audits performed in 2016 for which all recommendations have been closed after the follow-up ........................................................................................................... 117 PART 3: SUMMARY OF LONG OUTSTANDING RECOMMENDATIONS AS AT 31 JANUARY 2017 ...... 121 8 CONTENT OF THIS STAFF WORKING DOCUMENT: Part 1 of this SWD contains the objective and scope, key findings and the critical and very important recommendations of the IAS engagements which were part of the 2016 IAS audit ***plan*** (cut-off date for the exercise: 31 January 2017). Important and desirable recommendations are not reproduced in this SWD. The information contained in this SWD reflects the state of play when the audit engagements were finalised as stated in the executive summary of the audit report. Each executive summary underwent the applicable standard professional validation and contradictory procedures between auditor and auditee at the time of the finalisation and aims to provide a quick understanding of the audits and their main results. Part 2 of this SWD contains a summary of the IAS follow-up engagements in the period from 1 February 2016 to 31 January 20171. Part 3 provides a summarised overview of the 18 long overdue very important recommendations as at 31 January 2017. 1 The summary reflects the assessment of the IAS on the status of implementation of the audit recommendations at the end of the follow-up assignment. It does not take into account any further actions that may have been undertaken by the auditee and reported to the IAS since the release of the IAS follow-up note or report, possibly having an impact on the status of the recommendation. 9 PART 1: FINAL REPORTS 1. HORIZONTAL AUDITS 1.1 Audit on the management of intra-muros contractors Audit objectives and scope The overall objective of the audit was to assess if the Commission uses the external contractors working intra-muros in an effective and efficient way. The audit covered the arrangements both at the corporate level aimed at facilitating the management of intra-muros contractors by DGs and the way in which they are managed in practice at the individual DG level. At the corporate level, the audit scope included the overall framework put in place by DG HR, responsible for coordinating the personnel and administrative policy of the Commission, as well as by DG BUDG, responsible for laying down the procurement procedures and contract templates. The audit also focussed on DG DIGIT, given that a large number of intra-muros contractors work in the IT domain. At the individual DG level, the audit scope included the process of monitoring the work performed by intra-muros contractors to ensure that DGs get value for the money spent and that the associated risks are adequately identified and appropriate mitigating measures put in place. There are no observations/reservations in the 2015 Annual Activity Reports of any of the DGs covered by this audit that relate to the area/process audited. The fieldwork was finalised on 25 May 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Lack of a corporate framework for the use of intra-muros contractors Despite the significant number of intra-muros contractors in the Commission, there is no corporate framework and there are no comprehensive corporate guidelines to support DGs in their management. Certain DGs have developed guidelines at the local level, but these lack the corporate dimension needed to properly address not just the contractual issues, but also to allow them to take into account the HR implications of significant dependency levels. The need for such corporate guidance was clearly expressed by the audited DGs. • Value for money in 'time and means' contracts DGs/Services can use two major categories of service contracts. Either 'result' contracts, which involve buying pre-defined deliverables, or 'time and means' contracts, which are used to purchase human resource capacity with certain skills for a given period of time, but without necessarily pre-defined deliverables. Although 'time and means' contracts may be appropriate in certain circumstances, for example in the early stages of a project or operational service in which an output 10 cannot be clearly defined upfront, they tend to be used more because of their flexibility and the relatively lighter contract preparation work needed up front. However, they generally involve much less stringent reporting requirements on the work actually performed by the contractor and, unless properly monitored, provide less assurance on the achievement of value for money. Although the IAS identified certain good practices where framework contracts used on a 'time and means' basis also included reporting requirements to allow implementation progress to be tracked, these appear to be exceptions rather than the rule. Furthermore, DG DIGIT's recent guidelines on outsourcing in the IT domain do not clearly advise DGs to use 'result' contracts in preference over 'time and means' contracts. Recommendations To address these issues, the IAS formulated the following recommendations: • A corporate framework for the use of intra-muros contractors The IAS recommends that the responsibility for defining the corporate framework for the use of intra-muros contractors should be allocated to the main central services involved (DGs BUDG, HR and DIGIT), under the general oversight of the ABM Steering Group. These central services should work with the DGs that make most significant use of intra-muros contractors to define a corporate framework. This should build upon the existing guidance at local level and be more specific in spelling out which types of contract are most applicable to different situations. • Value for money in 'time and means' contracts As corporate domain leaders in IT and communication, DGs DIGIT and COMM should, for any new framework contract using 'time and means' and, to the extent possible, for existing ones, build in contractual safeguards aimed at ensuring value for money. This could include the use of indicative milestones and/or defining deliverables, together with reporting requirements on the activities performed by intra-muros contractors. Finally, DG DIGIT should revise the recently finalised guidelines to clearly state that a reflection should be carried out prior to the launch of the procurement procedure and that 'result oriented' contracts should be privileged over 'time and means' contracts. 1.2 Audit on coordination and working arrangements with EU decentralised Agencies in DG SANTE and DG HOME Audit objectives and scope The overall objective of the audit was to assess the adequacy of the coordination and working arrangements of the partner DGs (HOME and SANTE) with their Agencies to ensure that Agencies' activities contribute efficiently and effectively to the DGs' policy objectives. The audit focussed on the following three areas: (1) the clarity of the role and responsibility of the partner DG vis à vis its Agencies; (2) the adequacy of the overall strategy of the partner DG vis à vis its Agencies to ensure that their activities contribute efficiently and effectively to the achievement of the DG's policy objectives 11 and (3) the adequacy of the organisational structure of the partner DG in order to have efficient and effective interactions with its Agencies. As the areas under review are managed separately and under different organisational structures in the partner DGs (HOME and SANTE), two separate reports have been issued by the IAS for clarity purposes and to facilitate the follow up of the recommendations at partner DG level. There are no observations/reservations in the 2014 Annual Activity Reports (AAR) of the DGs that relate to the area/process audited. The fieldwork was finalised on 15 January 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified one very important issue with regard to the overall strategy of each partner DG towards its Agencies in three key areas (i.e ***programming***, monitoring and control/reporting) as follows: DG HOME • Partner DG's contribution to Agencies' ***programming*** and link to the DG's own ***programming*** activities The Commission (via DG HOME) has to provide an opinion on the work ***programmes*** of its Agencies as requested by the Agencies' Founding Acts. The IAS observed that the work ***programmes*** of certain Agencies lack quality in terms of objective setting (i.e no SMART objectives) and the definition of Key Performance Indicators (KPIs) (i.e no result and impact indicators). Furthermore, some issues on the ***programming*** process have been noted: delays in providing the Commission's opinion, the need for closer links between the partner DG and the Agency and for a more proactive Commission's role to facilitate the timely assessment of Agency's budget needs. In addition, despite the link between the DG's policy objectives and the outputs of the Agencies, performance indicators are not systematically included in the DG's Management ***Plan*** which reflect the Agencies' contribution towards the achievement of DG HOME's policy objectives. Finally, DG HOME does not explicitly take into account the extent to which the risks reported by the Agencies may hamper the achievement of those policy objectives. • Partner DG's monitoring of Agencies' activities The main mechanisms for monitoring the performance of decentralised Agencies are through the work of the respective Management Boards as well as through regular (informal) contacts. As is the case for other partner DGs, DG HOME is represented on the Boards of its Agencies. Key to effective monitoring is to have appropriate KPIs and adequate performance measurement systems and reporting at Agency's level. While this is the Agencies' responsibility, DG HOME has a vested interest that these arrangements adequately support the achievement of its own policy objectives. As noted above appropriate KPIs are not always in place and the quality and regularity of performance measurement and reporting in the Agencies varies considerably. Furthermore, although the DG has supported the Agencies in implementing certain actions under the 'Common approach' and associated 'Roadmap' aimed at making the 12 Agencies more coherent, effective and accountable, the IAS considers that it could further strengthen its monitoring in this area. • Partner DG's control strategy to build assurance and report on the tasks entrusted to its Agencies in the framework of the Annual Activity Report DG HOME has not formalised yet its control strategy towards its Agencies, including a provision for adapting the intensity of controls to match the Agencies' respective risk profiles. Furthermore, no 'differentiated' control strategy exists for the two Agencies which have been entrusted by DG HOME with budget implementation tasks through 'Delegation Agreements'. The risks of fraud and of conflict of interest (CoI) are not systematically monitored by the partner DG as a member of the Management Board. In addition, there is room for improvement in the way in which the DG builds up its assurance on the activities of the Agencies, due to the inefficient use of independent sources of assurance such as evaluation and audit work but also due to the limited nature of the reporting process on Agencies' matters by the AOSD which does not systematically report on the results of the Agencies' activities and on the DG's monitoring arrangements towards its Agencies. DG SANTE • Partner DG's contribution to Agencies' ***programming*** and link to the DG's own ***programming*** activities DG SANTE has a very limited role in the establishment of the work ***programmes*** of its Agencies. This is mainly due to the fact that under the Agencies' Founding Acts, there is no legal requirement for the DG to provide an opinion on the work ***programmes***, but also due to the fact that in some cases the Agencies allow the DG only a limited opportunity to participate in the discussions at an early stage of the ***programming*** phase. The IAS observed that the work ***programmes*** of certain Agencies lack quality in terms of objective setting (i.e no ***strategic*** objectives) and KPIs (i.e no result and impact indicators). Furthermore, despite the link between the DG's policy objectives and the outputs of the Agencies, there are no performance indicators in the DG's Management ***Plan*** which reflect the Agencies' contribution towards the achievement of DG SANTE's policy objectives. In addition, in its risk assessment, DG SANTE does not document the extent to which the risks reported by the Agencies may hamper the achievement of those policy objectives. • Partner DG's monitoring of Agencies' activities The main mechanisms for monitoring the performance of decentralised Agencies are through the work of the respective Management Boards and Audit Committees (when applicable) as well as through regular (informal) contacts. To support these monitoring activities, amongst other sources of information, appropriate performance indicators should be in place. While this is the Agencies' responsibility, DG SANTE has a vested interest that these indicators adequately support the monitoring of the achievement of the DG's policy objectives. As noted above this is not always the case. Furthermore, although the DG has supported the Agencies in implementing certain actions under the 'Common approach' and associated 'Roadmap' aimed at making the Agencies more coherent, effective and accountable, the IAS considers that it could further strengthen its monitoring in this area. Finally, although the IAS acknowledges that the quality checks performed by DG SANTE on its Agencies' scientific opinions necessarily 13 follow different approaches depending on the particular circumstances, it found that neither the common principles nor the justification for the different approaches were documented. • Partner DG's control strategy to build assurance and r

eport on the tasks entrusted to its Agencies in the framework of the Annual Activity Report The IAS notes that DG SANTE has formalised its overall control strategy towards its Agencies. Although this is risk-based, it does not describe the different Agencies' risk profiles and does not explain how the intensity of controls should be adapted to those risk profiles. In addition, there is room for improvement in the way in which the DG builds up its assurance and reports on the activities of the Agencies. Currently, independent sources of assurance such as evaluation and audit work are not used as efficiently as they could be and the reporting made by the AOSD on Agencies matters focuses more on budget execution than on results linked to policy achievements, operations and monitoring arrangements. Recommendations To address these issues, the IAS formulated the following recommendations for each partner DG: DG HOME • Partner DG's contribution to Agencies' ***programming*** and link with DG's ***programming*** DG HOME should reinforce its leverage effect on Agencies' ***programming***. Firstly by being involved earlier in the ***programming*** phase to support more effectively the Agencies for the setting of adequate objectives and the definition of appropriate KPIs and secondly by establishing closer links between Agencies (i.e field expertise) and Commission (i.e 'Policy') to ensure that lessons learnt can feed into all levels of policy development. The DG should also reinforce its risk assessment process by taking account of the risks reported by the Agencies and strengthen its ***planning*** documents (i.e ***Strategic*** ***Plan*** (2016/2020) and annual Management ***Plans***), by explaining clearly how the Agencies activities contribute to the achievement of the policy objectives and how this is in turn supported/measured by appropriate indicators. • Partner DG's monitoring of Agencies' activities Through its role as a member of the respective Management Boards, DG HOME should strengthen its performance monitoring using the KPIs established by the Agencies. It should further promote and support the implementation of the 'Common Approach' by its Agencies and follow up on the implementation of the 'Roadmap' in each individual Agency. • Partner DG's control strategy for building assurance and report on the tasks entrusted to its Agencies in the framework of the Annual Activity Report DG HOME should strengthen its control and assurance building process as follows. Firstly, a control strategy should be formalised for the Agencies, allowing for different levels of control intensity in line with the Agencies' respective risk profiles. Secondly, a separate control strategy for Agencies with delegated budget implementation tasks (i.e Delegation agreements) should be established as the discharge in respect of the 14 delegated funds is given to the Commission (not to the Agency) and the Director General of DG HOME is the Authorising Officer by Delegation (not the Director of the Agency). Thirdly, the building blocks supporting the Authorising Officer by Delegation's declaration of assurance should be reinforced by a more efficient use of independent sources of assurance and by a more systematic bottom-up reporting process aimed at ensuring that the information needed for the DG's AAR on the Agencies' activities is reported consistently and on a timely basis and properly identifies issues which could have an impact on the declaration of assurance. Fourthly, the information included in the AAR on the Agencies' activities should be improved, particularly with regard to the main results and the contribution to DG HOME's policy objectives. Finally, the DG should monitor that Agencies establish adequate Anti-Fraud and conflict of interest policies which we recommend to be adopted by their respective Management Boards. DG SANTE • Partner DG's contribution to Agencies' ***programming*** and link with DG's ***programming*** DG SANTE should reinforce its leverage effect on Agencies' ***programming***. Firstly by being involved earlier in the ***programming*** phase to support more effectively the Agencies for the setting of adequate objectives and the definition of appropriate KPIs and secondly by establishing closer links between Agencies (i.e science/field expertise) and Commission (i.e 'Policy'), while respecting both the independence of the Agencies and the role of the Commission to ensure that lessons learnt can feed into all levels of both organisations. The DG should also reinforce its risk assessment process by documenting properly how the risks reported by the Agencies are taken into account. It should also strengthen its ***planning*** documents (i.e ***Strategic*** ***Plan*** (2016/2020) and annual Management ***Plans***) by explaining clearly how the Agencies activities contribute to the achievement of the policy objectives and how this is in turn supported/measured by appropriate indicators. • Partner DG's monitoring of Agencies' activities Through its role as a member of the respective Management Boards, DG SANTE should strengthen its performance monitoring using the KPIs established by the Agencies. It should further promote and support the implementation of the 'Common Approach' by its Agencies and follow up on the implementation of the Roadmap in each individual Agency. The DG should ensure that the different approaches used as regards quality checks on Agencies' scientific opinions are properly documented and justified accordingly. • Partner DG's control strategy for building assurance and report on the tasks entrusted to its Agencies in the framework of the Annual Activity Report DG SANTE should strengthen its control and assurance building process as follows. Firstly, the control strategy should describe the different Agencies' risk profiles and how the level of control intensity should be adapted to these risk profiles. Secondly, the building blocks supporting the AOD Declaration of assurance should be reinforced by a more efficient use of independent sources of assurance. Thirdly, there should be a more systematic bottom-up reporting process aimed at ensuring that the information needed for the DG's AAR on the Agencies' activities is reported consistently and on a 15 timely basis. Finally, the information included in the AAR on the Agencies' activities should be improved, particularly as regards the main results and the contribution to DG SANTE's policy objectives. 1.3 Audit on performance and coordination of Anti-Fraud activities in the Traditional Own Resources area Audit objectives and scope The overall objective of the audit engagement was to assess whether or not the Anti-Fraud activities in the area of Traditional Own Resources (TOR) are ***planned***, managed and coordinated in an effective manner to ensure the best protection of the Commission's financial interests. The scope of this audit engagement covered the Commission’s Anti-Fraud activities in the TOR area with a particular focus on customs duties and cigarette smuggling. The audit covered: • The Commission Anti-Fraud Strategies (CAFS) and high level coordination and policy in the TOR area; • Anti-Fraud Strategies (AFS) of the main DGs involved in TOR-related activities; • Operational activities in the audited DGs to address the fraud risks at each stage of the Anti-Fraud cycle; • Communication and information within the framework of Commission governance and reporting such as the annual risk assessment exercise, the Annual Activity Reports (AARs), Management ***Plans*** (MPs), etc. The audit focused on the activities of OLAF, DG BUDG and DG TAXUD. There are no observations or reservations in the 2015 AARs of the audited DGs, which relate to the audited process. The fieldwork was finalised on 30 September 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified three very important issues: • Anti-Fraud Strategies in own resources at Commission and DG level The CAFS and the individual DGs' AFSs do not sufficiently address specific fraud risks in the domain of EU own resources. In particular, the CAFS does not provide a clear framework for fighting fraud in the own resource areas as a whole (including TOR), while concerning the AFSs, the TOR DGs do not coordinate their preparation to ensure that common fraud risks are adequately identified and addressed. • OLAF support OLAF's support and facilitation activities on fraud prevention and detection in the TOR area are less structured and comprehensive than in the expenditure area. In particular, the central guidance, support and coordination provided to the DGs, the 16 training ***programme*** and the information provided in the Anti-Fraud website are mostly focusing on the expenditure area and very limitedly on TOR. There is moreover no working group or forum for all the TOR DGs to discuss and share common challenges and best practices in the TOR area. • Roles and responsibilities in the TOR area There is no clear overview of how the TOR DGs share the Commission's competence for fraud prevention and detection in the TOR area, and how they ensure effective cooperation and resolve ***strategic*** issues on fraud prevention and detection. In addition, the different committees with the Member States address Anti-Fraud aspects to a very limited extent, not all the TOR DGs attend them or are involved in the preparation of meetings to define a common EC position or propose issues for discussion. Lastly, the TOR DGs do not sufficiently coordinate their preparation and distribution of reports to the Member States on Anti-Fraud activities and performance. Recommendations To address these issues, the IAS formulated the following recommendations: • Anti-fraud Strategies in own resources at Commission and DG level OLAF should revise the CAFS in order to address appropriately issues and risks related to own resources, including TOR and facilitate a better coordination among the TOR DGs to enable identifying common risks and defining coordinated mitigating actions. • OLAF support OLAF should strengthen its support to the TOR DGs by ensuring an enhanced service to TOR DGs as for expenditure DGs. This should include revising the AFS guidance in the TOR area, developing an appropriate range of awareness, communication and training tools and ensuring that the Fraud, Prevention and Detection Network addresses TOR issues. • Roles and responsibilities in the TOR area OLAF, DG BUDG and DG TAXUD should better cooperate by setting up a ***strategic*** steering function responsible for AFS in TOR, defining clearly the respective roles and responsibilities and establishing procedures for the cooperation among them (including when preparing reports on Anti-Fraud activities). The DGs should also review and formalise the different current practices for Member State committees and working groups. 1.4 Audit on the new Better Regulation agenda in the Commission - what is the state of play approximately one year after its adoption? Audit objectives and scope The overall objective of the audit was to assess the state of play of the Better Regulation (BR) package approximately one year after its adoption. Although still relatively early for such an important and wide ranging initiative, with expectation levels so high, it is important to assess the progress made so far, confirm or otherwise 17 that it is on track and to highlight as early as possible any areas for possible improvement/corrective action. The audit scope included: • At the corporate level: the framework put in place to support the implementation of the BR package at Commission level and the measures taken by the SG so that DGs are ready to manage, monitor and report on the efficient and effective implementation of the package; • At the DG level: the preparedness of a sample of DGs (EMPL, ENV and GROW) to efficiently and effectively implement the BR package in practice. • There are no observations/reservations in the 2015 Annual Activity Reports of the audited services that relate to the area/process audited. The fieldwork was finalised in mid-June 2016 and all observations and recommendations relate to the situation as of that date. However, the situation is continuously evolving and various factors and events have come to light since the end of the fieldwork. These have been taken into account when finalising the audit engagement. Major audit findings The IAS identified two very important issues: • State of play of the main Better Regulation components Although the Commission has put in place the main components of the package (REFIT - Regulatory Fitness and Performance ***Programme*** - Platform, Regulatory Scrutiny Board, feedback/consultation mechanism and agenda ***planning*** etc.), it has yet to establish proper monitoring and measurement arrangements for assessing whether these components are functioning adequately in practice. The IAS notes that the continual development of the supporting IT tools (the BR portal and Decide) will allow key data/statistics to be collected and indeed this is already underway. However, it still remains to be decided how these will be best used for monitoring and assessment purposes. As regards the REFIT platform, the IAS found that the working arrangements still need to be finalised, together with clearer explanations as to precisely what is expected from the platform. At the fieldwork date, these were still not clear to the platform's members. Concerning the Regulatory Scrutiny Board (RSB), there is a need for DGs to be better informed about the quality and content requirements for impact assessments and evaluations, as this would help them to prepare high-quality outputs from the outset. Furthermore, the RSB's rules of procedure and working arrangements, which were available only in draft at the time of fieldwork, still need to be finalised. Although the feedback and consultation mechanisms have been strengthened as part of an attempt to reach out to stakeholders, in practice this has proven to be a challenge as the response rate is, with a few notable exceptions, generally quite low. The language requirement appears to be a particular problem with less than 20% of the 2016 open public consultations being made in all EU languages. This poses a natural barrier in the attempts to reach out to all EU citizens. In addition, the operational DGs audited 18 expressed concerns as to the proportionality of the feedback/consultation mechanism, although the IAS acknowledges that it may be too early to draw conclusions in this area in the absence of relevant performance information referred to above. As regards the new approach for ***planning*** and validating major initiatives, the statistics available for 2016 at the time of the fieldwork show that the average time for the validation process is very encouraging overall, at ten working days, but about one quarter experienced considerable delays. In order to address this issue, the IAS notes that towards the end of the fieldwork the SG simplified the process and it expects the situation to improve. • Fostering the Better Regulation culture The new impetus that the BR agenda brought also requires a change in culture whereby the objectives and principles need to be deeply embedded in the regulatory activities of the Commission. To this end, the IAS found that whilst tools and guidelines have been made available, much less emphasis was given in practice to helping foster the necessary change in culture. However, it notes that a communication strategy was developed early this year and is gradually being put in place in the context of the roll-out of the new BR portal. Furthermore, the audit identified a need to communicate more clearly on the workflow for policy development, the roles and responsibilities within the SG and the support that the SG is offering to the DGs. In addition, the coordination within the SG, in particular between the Directorate responsible for the BR agenda and those responsible for coordinating the policies throughout the Commission needs to be improved. The role of the SG is pivotal in fostering the BR culture and it follows therefore that the BR principles are understood, applied and communicated to the DGs in a coherent manner. The IAS also noted room for improvement with regard to quality review by the SG. In particular, supporting documents to guide the quality review are not used consistently and there is no indicative timeline for the submission of documents. Recommendations To address these issues, the IAS formulated the following recommendations: • State of play of the main Better Regulation components SG and, where relevant, the RSB, should define appropriate performance measures for the main components of the BR package and monitor and evaluate these in practice. Furthermore, the SG should explain to the REFIT platform members more precisely what is expected from them and from the process and should ensure that the working arrangements are agreed and properly understood amongst the platform's members. The RSB, in collaboration with the SG, should make it clear to the DGs what is expected of them in terms of quality and content for impact assessments and evaluations and should also finalise its rules of procedure and working arrangements. Concerning the feedback/consultation mechanisms, the SG should carefully monitor progress, particularly as regards both the application of the language regime used for consultations, and the proportionality of the efforts made (inputs) to responses received (outputs) in relation to both consultation and feedback mechanisms. 19 Furthermore, it should investigate the reasons for the low feedback rate and adapt the communication approach accordingly. Finally, as regards the ***planning*** of major initiatives, the SG should monitor the application of the new simplified process to assess whether the expected benefits are actually being achieved in practice and take any necessary remedial action. • Fostering the Better Regulation culture To better foster the BR culture in the Commission and building on what is in place already, the SG should further develop its communication strategy promoting the BR objectives. Particular emphasis should be placed on the importance of the 'tone at the top' and for Senior Management to be sending the right signals as to the importance of this initiative. This could be further complemented through stronger support from the political level. On a very practical level, the SG should clearly set out (and communicate accordingly) who does what and when, highlighting key review points for documents. Finally, the SG should strengthen its internal coordination and quality review arrangements to provide more consistent support to the DGs/services 1.5 Audit on financial management in the SG, LS, EPSC and DGT The overall objective of the audit was to assess the adequacy of the financial management of the SG, LS, EPSC and DGT. In particular, it reviewed the design and the implementation of the controls in place to assess whether they ensure the legality and regularity of the financial transactions. Furthermore, the audit assessed the efficiency of the financial workflow. This audit covered the key controls designed and implemented in the following processes: • The procurement process, from the determination of the needs and ***planning*** to the effective implementation of the contract; • The financial circuits of procurement, including commitments, payments (including payment deadlines) and recovery orders, to ensure proper segregation of duties and authorisation; • The recording of exceptions and ABAC access rights; • The risk register and Anti-Fraud strategy; • The reporting of the financial activity in the Annual Activity Report (AAR). The engagement covered the period 2015 and the first five months of 2016. There are no reservations in the 2015 AAR of the SG, LS, EPSC and DGT that relate to the area/process audited. The fieldwork was finalised during September and October 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The SG, EPSC and DGT 20 The IAS did not identify any material risks that would give rise to critical or very important recommendations. The LS The IAS identified one very important issue: • Procurement process: Weaknesses in documentation The IAS found that as regards the procurement procedures relating to legal services, the documentation lacks a sufficient degree of formalisation to ensure a proper audit trail, as required by the Financial Regulation (FR). For example, there is no trail of the exclusion, selection and award criteria used for the procedure. In addition, exceptions to the FR and its rules of application (RAP) are not properly documented as required by the relevant internal control standard. Moreover, there is no formal evaluation and award decision and the relevant manual used by the LS is very brief and does not explain in sufficient detail the main steps to be followed for the procurement procedure. The IAS also noted that the LS does not request a declaration on honour from the legal service contractors and is currently seeking the opinion of DG BUDG on the necessity to do so. Finally, the audit found that the requirements of the RAP regarding the publication of contracts awarded were not fully complied with. Their publication on the website of the LS was not exhaustive and did not meet the deadline as set in the RAP. Recommendation To address this issue, the IAS formulated the following recommendation: • Procurement process: Weaknesses in documentation The LS should: • Develop a document (or further develop the existing template), which formalises the main steps of the procurement procedure for legal services, including exceptions to the FR and RAP; • Update its internal operational manual (Guide sur l'activité 'contentieux' du service juridique - 2016) to provide more detailed guidance to the legal officers in this respect; • Clarify with DG BUDG whether the LS has to request the ESPD/declaration of honour before awarding a contract for legal services and follow the position as expressed by DG BUDG. For procurement procedures below EUR 15 000, carry out a risk assessment in order to assess whether or not to request these documents; • Publish a full list of all legal service contracts awarded in a given year respecting the deadline of 30 June year n+1. 1.6 Audit on the early implementation of ESIF control strategy 2014-2020 in DGs REGIO, EMPL and MARE Audit objectives and scope 21 The overall objective of the audit was to assess if the control strategy of DGs REGIO, EMPL and MARE for the management of their European Structural and Investment Fund (ESIF) was properly designed, effectively implemented and well-coordinated in the early stages of the 2014-2020 ***programming*** period. The scope of the audit focussed on the following three main areas for the ESI funds managed by DGs REGIO (ERDF and CF), EMPL (ESF) and MARE (EMFF): • The appropriateness of the design of the control strategy for building up assurance on the management of the ESI funds for the 2014-2020 period; • The effective implementation of the control strategy in the early stages of the 2014-2020 period to ensure that sufficient assurance is available before reception of the first assurance packages with declared expenditure; • The appropriateness of the coordination arrangements between the three DGs (i.e internal coordination) and with Member State authorities (i.e external coordination) to ensure a consistent and sound control approach as well as an efficient use of resources in the early stages of the 2014-2020 period. The assessment of the IT systems used for the control/audit activities were excluded from the scope of the audit. There are no observations/reservations in the 2015 Annual Activity Reports (AAR) of DGs REGIO, EMPL and MARE that relate to the area/process audited. The fieldwork was finalised on 29 July 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Design of the ESIF control strategy 2014-2020 DGs' assurance process The legal basis for the 2014-2020 ***programming*** period introduced a number of new features which the DGs are yet to fully assess in terms of their impact from a control/assurance perspective. In particular, this concerns the impact of the 10% retention of interim payments on: (a) the procedure for interruption and suspension of payments, (b) the DG's decisions whether or not to issue a reservation in the AAR and its quantification and (c) the calculation of the 'amount at risk'. Also, it is not yet clear how multi-fund Operational ***Programmes*** (OPs) will be treated (a) when drawing conclusions and making financial corrections based on audit results resulting from common samples (i.e covering both funds) and (b) when defining in the audit methodology the scope when covering those OPs. Finally, also not yet fully addressed is the control approach to be applied on the legality and regularity of payments under each stage of the control cycle. DGs' audit ***plans*** Delays in the start-up of the 2014-2020 ***programming*** period have resulted in the need for continuous adjustments of the DGs' audit ***plans***. Although these are risk-based (in line with auditing standards) and properly supported by a workload analysis, there is a lack of consistency between the DGs on how to take into account resources shortages 22 when developing their ***plans*** and it is not clear to what extent those shortages might impact on the assurances needed for a given reporting period. 'Control-related' simplification measures It is not yet sufficiently clear how the control related simplification measures introduced in the 2014-20 ***programming*** period will deliver the expected results. Issues still to be clarified include: (1) article 148 of the Common Provisions Regulation (CPR) on 'proportional control of OPs', setting out provisions to avoid overlap with Member States/ECA audits under certain conditions, (2) article 140(1) of the CPR on 'shorter retention period of documents', limiting the time for audit activities and financial corrections and (3) article 122(3) of the CPR on 'e-Cohesion', providing that by 31/12/2015 Member States have to exchange all information between beneficiaries and their national authorities by means of electronic data exchange systems. • Implementation of the ESIF control strategy in the early stages Designation review The Commission's progress in reviewing Member States designations depends very much on progress made by the Member States on the designation process itself, which is under their responsibility and has been subject to persistent delays. As at September 2016, the Commission had received notice of complete designation for only 214 out of the 538 approved OPs (i.e 40%). The DGs have provided guidance to help facilitate the designation process and some Audit Authorities found this to be useful. However, others raised concerns about the feasibility to implement the so-called 'Light designation' for management and control systems, whereby the authorities concerned have essentially the same systems which existed in the previous period. The risk factors used by the Commission to select OPs subject to designation reviews (DR) are driven mainly by the amount of EU-co-financing at stake, rather than other factors such as the reliability of the Independent Audit Body (IAB). The IAS considers the latter to be more critical given the objective of the DR is to confirm the reliability of the IAB report. Also, although the DGs' methodology for the DR and guidelines to IABs on how to treat IT issues at the designation stage are clear on paper, the IAS found that in two out of the four sampled cases, either the DG's auditors (in one case) or the IAB (in the second case), had not completely followed the set procedures in practice. Early Preventive System Audits (EPSA) Concerning the EPSA methodology, the IAS notes that the impact of such audits on the application of article 148 of the CPR (which limits the audits that can be performed on the same beneficiary by the DGs, the AA and the ECA) has not been properly reflected in the methodology. Also, the DGs have yet to update the checklist to verify compliance with the EU public procurement directive to cover the contracts published from April 2016. Additionally, the risk assessment process used to select OPs for such audits is lacking in so far as the decision-making is not always clearly documented and weightings are not adequately assigned to certain risk factors. Review of National Audit Strategies (AS) The DGs' review of the AS is risk-based and includes the AS of the OPs which are subject to DR. However, the DR automatically excludes lower-value OPs (i.e below the thresholds in the legal basis) even though these may have a high-risk profile. The 23 IAS notes that the DGs do not currently ***plan*** to review the AS for certain OPs identified as risky according to the EPSA risk assessment. Also, there is room for improvement on the process and tools used for monitoring the reviews of AS. Thematic audits on: (1) Performance Data Reliability (PDR) and (2) Financial Instruments (FI) The single audit strategy attaches priority in the first years of implementation, in addition to the compliance audits, to audits on the reliability of data in the Member States and on Financial Instruments. However, at the end of the IAS audit fieldwork, in REGIO and MARE there had been no audits on assessing data reliability and a number of underlying methodological issues have yet to be resolved in the existing methodology developed jointly by the DGs. These include the question as to which performance indicators should be included in the scope of the audit, the risk factors used for selecting OPs, the extent to which desk officers and evaluation experts can be used and finally the impact on suspension/interruption of payments and on financial corrections. Concerning Financial Instruments, there is no audit methodology in place yet and no audits performed so far. However, the IAS notes that a working group has been set up to develop a methodology for mid-2017. Recommendations To address these issues, the IAS formulated the following recommendations: • Design of the ESIF control strategy 2014-2020 DGs REGIO, EMPL and MARE should clarify: (1) the impact of the 10% retention from interim payments on the interruption and suspension of payments, on the calculation of the 'amount at risk' and when deciding on the need to qualify the annual declaration of assurance by a reservation; (2) the impact of the 'multi-fund' OPs on the sampling method and the scope of the enquiry ***planning*** memorandum when covering those OPs and (3) the control approach and level of assurance for each type of payment and for each stage of the control cycle and clearly disclose this in the AAR. The DGs should revise their audit ***plans*** for the 2016-June2017 period to address any changes needed as a result of new events (e.g new AA system audits reported). The ***plans*** should be either aligned to the resources available or alternatively explain the impact of any shortages in resources on the level of assurance in the reporting year. Finally, the DGs should address some points resulting from the control-related simplification measures: (1) clarifying the sampling implications and a process to exchange information on samples at beneficiary level, so as to avoid overlaps between audits on the same beneficiary by the DGs, the AAs and, under certain conditions, the ECA as per article 148 of the CPR; (2) consideration of the time limit for audit as per article 140.1 of the CPR in the risk assessment used for the selection of the OPs to be audited and (3) addressing the potential audit detection risk resulting from the use of 'e-cohesion' through audit work on this topic. • Implementation of the ESIF control strategy in the early stages DGs REGIO, EMPL and MARE should: 24 • 'Designations': in the short term, better facilitate the designation process through, for example, bilateral contacts with the Member States, giving priority to the risky OPs selected for designation review. In the long term, the DGs should assess the experiences of the 2014-2020 designation process to draw lessons and define the control approach for the post-2020 legislative framework; • 'EPSAs': strengthen the methodology and risk assessment process, including improving the audit trail and attaching a higher weight to the reliability of the AA's work; • 'Review of national audit strategies': include as part of their review the additional high risk OPs identified in the EPSA risk assessment. DGs should also improve the existing tools and further develop the monitoring process; • 'PDR audits': strengthen the methodology by clarifying the scope, the role of desk officers and evaluation experts and the impact of any errors detected and ensure that such audits are carried out on the selected OPs as a matter of priority; • Audits on 'Financial Instruments': develop the necessary methodology and launch audits as soon as possible, after taking due consideration of any audit work by the AA on Financial Instruments to respect the 'single audit principle' and based on the first substantial data on Financial Instruments reported by the Member States. 1.7 Audit on effectiveness of simplification measures under 2014-2020 ESI Funds in DG EMPL, REGIO and MARE Audit objectives and scope The overall objective of this audit was to assess whether or not DGs REGIO, EMPL and MARE have put in place the necessary processes to ensure that the simplification measures introduced in the 2014-2020 regulatory framework are effective in achieving the objective of reducing the administrative burden (at beneficiary and Member State level), whilst at the same time obtaining the necessary assurances on legality and regularity of transactions and performance of ***programmes***. The IAS audit focused on the following three areas: • The appropriateness of the design of the processes for implementing simplification measures; • The activities of the European Structural and Investment Funds (ESIF) DGs in the areas of promoting the use and monitoring the take-up of simplification measures and in identifying any weaknesses in their implementation; • The DGs' efforts to identify any further simplification measures as well as take action in order to address the identified weaknesses in the existing measures. The scope of the Commission's simplification exercise for the multi-annual financial framework period 2014-2020 encompasses the Member States' national authorities as well as the beneficiaries of ESIF grants. It does not include simplification measures at the Commission level. The main simplification measures covered by this audit are: • Measures related to simplifying cost reimbursement rules, notably Simplified Cost Options (SCO), simplifying eligibility rules and reducing 'gold plating', and simpler rules for revenue generating projects; • Joint Action ***Plans*** (JAP); 25 • e-Cohesion. Another 2016 IAS audit on 'Early implementation of ESIF control strategy 2014-2020 in DGs REGIO, EMPL and MARE' has covered the design aspects of several control related simplification measures. There are no observations/reservations in the DGs' 2015 Annual Activity Reports that relate to the area/process audited. The fieldwork was finalised on 28 September 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Uptake and impact of simplification measures and the DGs' processes to promote and monitor these measures The provisional results of a DG REGIO study show that the reduction in administrative costs is likely to be lower than expected, largely as a result of the lower than expected uptake of a number of simplification measures. A notable exception concerns the ESF, where the expected uptake of SCO represents some 36% of the total ESF funding. This compares to some 2% for the ERDF/CF, and zero for the EMFF. For the ESF, this is a significant increase in comparison to the 7% uptake rate for the 2007-2013 ***programming*** period, but still below the ambitious target of 50% set for this period. For the other Funds, the DGs have not set any targets for the 2014-2020 ***programming*** period and there is no significant increase in the use of SCO yet in comparison to the previous period. Furthermore, the e-Cohesion requirements were fulfilled for only 58% of the ERDF/CF Operational ***Programmes*** (OPs) as at 31 December 2015. No information was available on the uptake of this measure in the case of the ESF. In addition, there has been no take up of JAP so far. Despite the ESIF DGs' efforts, they have not yet succeeded in overcoming a number of obstacles to further increase the uptake of simplification measures and to reduce the administrative burden of beneficiaries and the administrative costs of the Member States. The expected uptake of SCO is very much dependent on the type of projects funded. ESF funded actions are often more suitable for applying SCO. For ERDF/CF and EMFF, it is often not feasible to use flat rates, unit costs or lump sums. According to a survey of ESF Management Authorities carried out by DG EMPL, all intend to use SCO in this ***programming*** period. However, other surveys/studies indicate that respondents have certain doubts about the attractiveness of SCO that need to be addressed. Furthermore, SCO under article 67 Common Provisions Regulation cannot be used for operations that are fully publically procured. This limits the potential for the further uptake of SCO for ERDF/CF and EMFF. The different rules applicable to State Aid and simplification measures have not yet been sufficiently clarified and explained. The lengthy adoption procedure of delegated acts under article 14(1) of the ESF Regulation is among the blocking factors for Member States opting for SCO. The lack 26 of legal certainty on the Commission accepting the Member States SCO calculation methodologies is also an obstacle the DGs need to overcome, except for DG EMPL when applying article 14(1) of the ESF Regulation. The DGs lack a comprehensive analysis of the Member States' rules and procedures implementing the ESI Funds at the local level to be able to help them reduce gold-plating in general and assess if the target for reducing gold-plating at the national level can be reached. Furthermore, overall, corrective actions for a significant number of Management Authorities not yet complying with the e-Cohesion legal requirements are not yet sufficiently clear. Finally, whilst acknowledging that it is early in the ***programming*** period, the IAS found a number of weaknesses in the arrangements the DGs have put in place for monitoring the uptake and impact of simplification measures. • Mitigating risks associated with simplified cost options SCO expose the ESIF DGs to a number of risks they will need to address in the current ***programming*** period. The impact assessment supporting the legislative proposal for the 2014-2020 ***programming*** period did not sufficiently assess the impact of applying simplified rules on the level of assurance on legality and regularity to be obtained when using these new instruments. Furthermore, it is not certain if the new flat rates introduced in the Omnibus Regulation are a reliable proxy for real costs of certain types of funded operations, as these have not been backed-up by an in-depth study into the various types of cost categories that comprise the financed operations of the ESI funds. Applying article 14(1) of the ESF Regulation does not guarantee simplification for the final beneficiaries. Firstly, national managing authorities can use a SCO to reimburse beneficiaries which is different to the one approved under article 14(1) or can reimburse them based on actual costs incurred, necessitating a double accounting system adding administrative burden. Secondly, beneficiaries have to keep a full audit trail when the operations are financed by more than one ESI fund and the Member State has chosen a SCO provided under article 67 of the CPR for part of the financed operation (i.e when the operations are 'cross-financed'). The IAS has also found certain weaknesses in the procedures for applying article 14(1), mainly regarding key supporting documentation. Furthermore, the ESIF DGs have yet to develop their approach for assessing the continued relevance of the methodologies approved ex-ante under article 14(1) and possible over or under reimbursements to beneficiaries if they take another form than the SCO applied under article 14(1) for the reimbursement of Member States by the Commission. DG EMPL considers that the principle behind the use of article 14(1) ESF SCO means that this is not required. The use of SCO does not necessarily result in a stronger focus on results, as Member States using article 14(1) have chosen to be reimbursed based on process or output based indicators rather than results in several cases. Furthermore, previous Commission audits have identified risks concerning the reliability of performance data collected and reported by the Member States, but it is unclear how the DGs and national audit authorities intend to cover the reliability of performance measurement indicators for SCO. It is also not yet clear how the DGs will keep an overview of all the findings concerning SCO resulting from audit work in order to be able to identify systemic 27 issues and identify the need for a thematic approach to audit SCO. Finally, the role of the national audit authorities in providing assurance on the SCO calculation methods is yet unclear, as the applicable Regulations are silent about their precise role in this area. Certain national audit authorities are reluctant to get involved in assessing these methods because they fear that this would endanger their independence. Recommendations To address these issues, the IAS formulated the following recommendations: • Uptake and impact of simplification measures and the DGs' processes to promote and monitor these measures DGs EMPL, REGIO and MARE should, for the 2014-2020 period, further remove the above obstacles hindering the implementation of simplification measures, monitor the uptake and effectiveness of the simplification measures further along the ***programming*** period and take corrective measures where necessary. For the post 2020 period, they should gather up-to-date data on the Member States' progress regarding simplification before submitting their legislative proposals for the post 2020 period. They should also set targets and indicators for the improved uptake of simplification measures and ensure that these are translated into the different funding priorities and OPs for the post 2020 period to enable both the Member States and the Commission to monitor the Member States' actions in the area of simplification. • Mitigating risks associated with Simplified Cost Options DG EMPL should further strengthen its procedures for approving the Member States' SCO methodologies under article 14(1) of the ESF Regulation. The DG should also analyse any potential instances of significant differences between reimbursement by the EC of the Member State and payments made by the Member State to beneficiaries to assess the underlying reasons and decide whether or not the approved SCOs need to be adjusted for future operations, where appropriate. DGs EMPL and REGIO should ensure that their own or the national audit authorities' audit work sufficiently covers the risks related to using an SCO throughout the 2014-2020 ***programming*** period, if necessary through thematic audit work. They should also ensure that the SCO related data/indicators are output/results based where possible and their quality is sufficiently covered by audit work. For the post 2020 period the DGs should properly assess the effects of simplification on the assurance on legality and regularity of the underlying transactions and performance, and analyse the cost profiles and real costs incurred by publically financed projects that have similar characteristics to those funded under the ERDF/CF, ESF and EMFF to provide a solid basis for calculating the flat rates proposed in the EU Regulations. 1.8 Audit on the processes for managing and sharing data on agri-environmental-climate issues in DG AGRI, DG CLIMA and DG ENV Audit objectives and scope 28 The overall objective of the audit was to assess whether DG AGRI, DG CLIMA and DG ENV have put in place effective and efficient processes for managing and sharing agri-environmental-climate data. Agri-environmental-climate data was defined for the purpose of this audit as data and information related to the impact of ***agriculture*** on the environment and climate. The concept of knowledge management, which involves elements over and above the simple sharing of data, namely the use of skills and expertise needed to analyse and interpret data, was not included in the scope of the audit. The audit covered the review of the following processes in DG AGRI, DG CLIMA and DG ENV: • Processes for identifying and prioritising agri-environmental-climate data needs for policy support; • Processes for collecting agri-environmental-climate data, including the identification and mapping of available data; • Processes for storing, sharing and disseminating agri-environmental-climate data. The audit also included the review of the collaboration between DG AGRI, DG CLIMA and DG ENV and with other Commission services and European Union (EU) bodies that play a major role in the collection and dissemination of agri-environmental-climate data, in particular Eurostat, the Joint Research Centre (JRC), DG RTD and the European Environmental Agency (EEA). However, the audit did not cover the data management and sharing processes in these other Commission services and EU bodies. The audit work took into account the rules and regulations regarding access to documents, protection of personal data and confidential statistical data and protection of intellectual property rights. However, its primary purpose was not to assess compliance with these rules and regulations. The 2015 Annual Activity Reports of DG AGRI, DG CLIMA and DG ENV do not contain any reservation/observation related to the processes audited. The fieldwork was finalised on 11 November 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Mapping of information needs and available data related to agri-environmental-climate issues Despite certain initiatives undertaken by the DGs to list information needs and available data, there is no comprehensive and coordinated inventory of information needs, together with a list of already available data in the field of agri-environmental-climate issues. Existing inventories are limited in scope and not always shared amongst the three DGs. As a consequence, the IAS noted during its review of a sample of contracts for procuring studies in the agri-environmental-climate field, that it was often left to the contractors to make an inventory of available data/ information, 29 including data/ information ***produced*** by the Commission itself, by the EEA and through EU research projects. In the addition, current coordination mechanisms do not always function effectively. The IAS found in particular that there is insufficient coordination on the indicators related to agri-environmental-climate data and that DG AGRI, DG ENV as well as Eurostat and the EEA have developed indicators which either address the same information needs, but are formulated differently or, should be the same, but in fact are calculated using different sources and/or methodologies and hence lead to different results. • Coordination of Member State reporting requirements and reuse of data There is insufficient coordination of the Member State reporting requirements, including insufficient reuse of collected data. This results in overlaps in Member State reporting requirements, increase in the workload and possible inconsistencies. The DGs informed the IAS that in some cases this was caused by insufficient coordination in Member States themselves, coupled with resistance on their part to build into the underlying legislation the need for consistency between the different reports/data they are responsible for. In addition, the IAS noted that the spatial data collected by Member States (and belonging to Member States) under the Common ***Agricultural*** Policy (CAP) control system and which could be useful for environmental/climate policy, is not in fact available to be used in this way in certain Member States or in the Commission. In practice, this data is used essentially for controlling the CAP on the basis that under the personal data protection rules, as recalled in the CAP horizontal regulation, personal data should not be used for another purpose than it was collected for. These restrictions occur in spite of the requirements of the Inspire Directive for sharing spatial data for environmental purposes. Recommendations To address these issues, the IAS formulated the following recommendations: • Mapping of information needs and available data related to agri-environmental-climate issues DG AGRI, DG CLIMA and DG ENV should (taking account of the role played by the main EU data providers and building on existing arrangements) reinforce the coordination of agri-environmental-climate data and related indicators and enhance its sharing. They should also establish a coordinated inventory of agri-environmental-climate information needs and available data. • Coordination of Member State reporting requirements and reuse of data DG AGRI, DG ENV and DG CLIMA should: Actively coordinate between themselves and with the EEA and Eurostat to ensure better consistency and, where possible, simplification through more effective re-use of collected data in Member States reporting requirements. In particular, this can be included in the European Commission's Regulatory Fitness and Performance 30 ***Programme*** (REFIT) aimed at making EU law simpler and reducing the regulatory costs. In addition, DG AGRI, DG CLIMA and DG ENV should: Clarify with the Legal Service what can be legally required from Member States under EU legislation, regarding the sharing of CAP spatial data between public authorities at national level and with the European Commission and the EEA for environmental/climate purposes. Upon clarification of the Legal Service, work together and with Member States to define clear arrangements/processes for the sharing of the CAP spatial data for environmental-climate purposes. 1.9 Audit on the procurement process in OIB, OIL and DG BUDG Audit objectives and scope The overall objective of the audit was to assess the adequacy of the design and the effective implementation of DG BUDG, OIB and OIL's internal control systems for the management of the procurement process and the effectiveness and efficiency of the related financial circuits. This audit tested the key controls as well as management and monitoring controls throughout the procurement process, from the identification and ***planning*** of the needs until the signature of the contract, including amendments and price revisions, if applicable. The audit covered the controls on the financial transactions in the period 1 January 2015 – 31 May 2016 related to procurement procedures awarded in the same period as well as payments for procurement processed in the same period, which may however not necessarily be linked to procurement procedures awarded in the period under review. There are no reservations in DG BUDG, OIB or OIL's 2015 Annual Activity Reports relating to the process audited. The fieldwork was finalised in November 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified four very important issues: OIB • Procurement procedures The audit identified weaknesses in the ***planning*** phase (i.e needs analysis) and in relation to the transparency of public procurement procedures. During testing of the ***planning*** phase, the IAS found weaknesses in OIB's needs analysis in one of the eleven high value procedures tested. In this case, OIB did not sufficiently consider local building regulations before the start of the procedure. As a 31 consequence, OIB could not sufficiently demonstrate the proper use of an exceptional procurement procedure. The IAS also noted that the real estate procedure currently in place (the 'Kallas procedure') has not been updated to reflect the changes made to the Financial Regulation that requires a greater degree of involvement of the Budgetary Authorities. The 'Kallas procedure' is currently being revised and OIB has already prepared a first draft. Transparency is one of the fundamental principles in public procurement law. In this respect, the audit found that in the real estate procedure tested, OIB excluded one tenderer without formally explaining the grounds on which the decision was taken. However, a bilateral meeting was arranged at a later stage with the tenderer excluded. The IAS also noted that OIB did not take minutes of the meetings held with tenderers at the initial stages of the negotiation phase. • Ex-post controls The audit also identified weaknesses in the methodology applied to ex-post controls. In particular, no pre-determined risk factors are defined and applied to the additional risk based sample of OIB. Furthermore, OIB does not make use of advanced sampling techniques, such as stratification of the population, which could increase the efficiency of the ex-post control function. In addition, the IAS found that the OIB had not tested the full number of transactions required for statistically meaningful results. This occurred because OIB made certain assumptions when selecting the sample during the year without assessing the need to adjust it at year-end in order to take account of significant differences between the assumptions made and the actual situation. Also, it did not correctly extrapolate the errors found in the sample across the entire population. The IAS does acknowledge however, that this had no significant impact on the 2015 error rate. Furthermore, although the services subjected to ex-post control receive recommendations from the ex-post control team, they do not establish action ***plans*** which could help foster the timely implementation of these recommendations. Finally, the IAS noted that a high number of recommendations are still open some of which were classified as errors of importance up to level 2 which means that they could have a financial or reputational impact. However, OIB has not carried out an assessment of the actual risks that the office is facing by not implementing these recommendations and whether it would be cost-effective to do so. OIL • Procurement procedures The audit identified weaknesses mainly concerning the initial steps of procurement procedures, namely the ***planning*** phase and the drafting of tender specifications. As regards the ***planning***, the IAS found that that OIL does not provide sufficient information on how such needs have been quantified, which meant in practice that OIL could not sufficiently justify using exceptional procedures. Furthermore, in one particular case, services vital for the implementation of a contract were not included at the needs assessment stage and consequently the tender specifications. They needed to be estimated by the Commission services at the evaluation stage. 32 Regarding the tender specifications, the audit found that in one case, these were overly specific and even included brands, which had the effect of limiting the competition. In one of the real estate procedures we tested, the award criteria were not clearly defined, although this constitutes a key element of the procurement procedure. • Ex-post controls The audit also identified weaknesses in the methodology applied for ex-post control. In particular, OIL's ex-post controls do not cover procurement procedures. Hence, a key risk is not covered, even though this constitutes a key building block for the assurance of the Authorising Officer by Delegation. In addition, the statistical method for selecting the sample and the extrapolation of the error rate were not correctly applied in practice. Recommendations To address these issues, the IAS formulated the following recommendations: OIB • Procurement procedures OIB should improve the needs analysis by including compliance with specific building laws and regulations. Furthermore, OIB should take the necessary steps to launch a College decision on the revision of the 'Kallas procedure' by taking into account, inter alia, the changes to the Financial Regulation by including the new procedure as stipulated in Art. 203 of the Financial Regulation and Art. 286 of the Rules of Application to the Financial Regulation. All relevant actors in the field of real estate procurement should be consulted during the course of the revision. OIB should also formally justify to tenderers when the decision is taken to exclude any one of them. • Ex-post control OIB should comprehensively document its sampling methodology, in particular the risk factors applied for the additional risk based sample. Furthermore, OIB should consider stratifying the sampled population to increase the efficiency of the sample testing. It should also assess the need to adjust the selection of the sample at year-end to take account of significant differences between the assumptions made and the actual situation as required by the Monetary Unit Sampling technique and correctly apply the statistical methodology when extrapolating the errors identified. Finally, the services that are subjected to the ex-post control should establish an action ***plan*** with target dates for the most significant recommendations made by the ex-post control team. Furthermore, OIB should make an assessment of the risks associated with open recommendations for the lesser important errors and evaluate whether it is still cost-effective to implement these. OIL 33 • Procurement procedures OIL should improve the needs analysis and, in particular, document how it has quantified its needs. When drafting tender specifications, it should avoid restrictive clauses or references to brands or trademarks, except for duly substantiated exceptions. Furthermore, OIL should also set clear award criteria for real estate procurement procedures. • Ex-post control OIL should include the key steps of the public procurement procedures in the scope of its ex-post controls and correctly apply the statistical method when sampling and extrapolating the errors identified. 1.10 Audit on the procurement process in DG COMM, DG Interpretation (SCIC) and EPSO/EUSA Audit objectives and scope The overall objective of the audit was to assess the adequacy of the design and the effective implementation of the service's internal control system with regard to the management of the procurement process and, in particular, its compliance with the Financial Regulation and its Rules of Application. This audit tested the key controls related to the procurement process, including the management and monitoring controls. Testing covered the identification and ***planning*** of the needs until the signature of the contract, including amendments and price revisions, if applicable. It also included payments relating to procurements processed in 2015. The responsibilities of DG HR laid down in the Service Level Agreement concluded between EPSO/EUSA and DG HR for the provision of financial management and procurement services were also included in the audit scope. There are no reservations in DG COMM, SCIC or EPSO/EUSA 2015 Annual Activity Reports that relate to the area/process audited. The fieldwork was finalised between 25 May and 13 June 2016. All observations and recommendations relate to the situation as of that date. Major audit findings DG COMM and EPSO/EUSA The IAS did not identify any material risks that would give rise to critical or very important recommendations. SCIC The IAS identified one very important issue: • Procurement process: weaknesses in tender documents, compliance issues 34 The audit revealed non-compliance issues with the Financial Regulation (FR), its Rules of Applications (RAP) or the case law of the European Court of Justice. More specifically, the IAS found weaknesses in the tender documents, such as one procedure in which an award criterion which referred to the experience of the tenderer and therefore overlapped with a similar selection criterion and two procedures in which the tender specifications were either not entirely clear for the tenderers or not fully defined. With regard to the evaluation of tenders, the IAS identified two cases in which the tender specifications were not strictly followed. Furthermore, in one procedure, some tenderers were contacted without ensuring that the other tenderers received the same level of information. Finally, the IAS noted one missing declaration of honour by a tenderer and four missing award decisions for low value procedures. DG SCIC's manual on public procurement provides for a formal visa by the finance unit at the stage of the draft tender documents. However, in practice this control is exercised only in an informal manner. The audit showed that, while the relevant ex-ante controls were carried out at the stage of the budgetary and legal commitment, i.e after the evaluation and before awarding and signing of the contract, they neither prevented nor detected and corrected the weaknesses observed by the IAS. Recommendation To address this issue, the IAS formulated the following recommendation: • Procurement Process: weaknesses in tender documents, compliance issues DG SCIC should: • Remind all services and potential members of evaluation committees to ensure compliance with the FR, its RAP and the case law of the European Court of Justice for the cases identified through this audit; • Update its procedures on ex-ante controls on public procurement procedures and formalise the control ensuring that the tender specifications meet the main requirements as set out by the FR and the RAP before the tender documents are published. This should be done for all high value procedures, together with a risk-based selection of low-value procedures; • Revise the internal checklists used for commitments and payments by specifically including the main elements to be checked. 2. ***AGRICULTURE***, NATURAL RESOURCES AND HEALTH 2.1 Audit on the design of DG AGRI's performance measurement system for the CAP 2014-2020 Audit objectives and scope The overall objective of the audit was to assess whether DG AGRI has adequately designed the Common Monitoring and Evaluation Framework (CMEF), including the 35 Common Monitoring and Evaluation System (CMES), in order to monitor, evaluate and report on the performance of the CAP 2014-2020. As the CMEF is still in an early stage of implementation, the audit focused on its design and covered the following main steps: • A review of the design of the Common ***Agricultural*** Policy (CAP) ***intervention*** logic, including the CAP objectives and their related indicators; • A review of the design and preparedness of the processes put in place by DG AGRI for ensuring that reliable data will be available on time for calculating the CMEF indicators values and reporting on them; • A review of the processes put in place by DG AGRI for providing support to the Member States in the implementation of the CMES, including through the European Evaluation Helpdesk for Rural Development; • A review of the processes put in place by DG AGRI for ***planning*** evaluations of the CAP 2014-2020. The audit scope did not include the following: • Processes related to the detailed monitoring activities performed by the different units of DG AGRI for the policies they implement; • Processes for conducting evaluations, as well as processes for managing the contractual relationship with the contractors implementing the European Evaluation Helpdesk; • Processes for the performance review linked to the performance reserve that Regulation (EU) No 1303/2013 introduced for the European Structural and Investment Funds (ESIF), including the EAFRD. This is a specific process, which may be the subject of a separate audit at a later stage. DG AGRI's 2014 Annual Activity Report (AAR) does not contain any reservation related to the performance measurement framework. The fieldwork was finalised on 4 February 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified three very important issues: • Quality of objectives, indicators and ***intervention*** logic The specific objectives set for Pillar I/Horizontal Provisions (and related indicators) do not always clearly define what the related policy is expected to achieve and, in a few cases, appear not to cover some essential aspects of the CAP's general objectives. In addition, the ***intervention*** logic does not always allow to identify which CAP instruments contribute to which objectives and how. • Consistency and completeness of the CMEF The CMEF does not cover all the various CAP instruments, although it should be noted that those which are not included are subject to performance measurement provisions laid down in their individual legal bases. Furthermore, while the CMEF 36 integrates Pillar I/Horizontal provisions and Pillar II at the level of impact indicators, this is not the case for result indicators. This complicates the work of DG AGRI in demonstrating the combined direct effect of different CAP instruments pursuing the same specific objectives (for example for the payment for young farmers under Pillar I and the measures for young farmers under Pillar II). • Reliability and availability of data Despite the fact that DG AGRI cooperates effectively with Eurostat, it faces continued problems in obtaining reliable data for calculating the values of certain CMEF indicators, in particular for environmental indicators. This mainly concerns those for which there is no explicit legal basis for requiring the data from Member States. According to DG AGRI, there is a strong resistance from Member States to provide additional data due to the costs involved. Recommendations To address these issues, the IAS formulated the following recommendations: • Quality of objectives, indicators and ***intervention*** logic DG AGRI should ensure that the CAP specific objectives for Pillar I/Horizontal Provisions are more compliant than at present with the SMART criteria and assess whether there is a need to include related additional indicators, based where possible on available data and taking into account cost effectiveness considerations in order to better demonstrate the achievement of policy objectives. The CAP ***intervention*** logic needs to be explained much more clearly. • Consistency and completeness of the CMEF DG AGRI should develop additional indicators to cover the CAP instruments which are not adequately addressed through the current set of CMEF indicators and use if possible existing data to integrate Pillar I and Pillar II aspects. This does not necessarily mean including additional rural development indicators, which have already been established. In the longer term and for the next multi-annual financial framework ***programming*** period, DG AGRI should consider developing a set of result indicators aimed at showing the combined effects of both rural development and Pillar I/Horizontal Provisions. • Reliability and availability of data For the data which is currently missing, including that relating to environmental indicators, it should follow this up with Eurostat and seek to obtain additional data through the mapping and cross-linking of available data, as well as through research projects. For the data needed to support the CMEF indicators, but for which there is no specific legal obligation on Member States to provide, the DG should assess whether this needs to be addressed through an implementing regulation. 2.2 Audit on DG AGRI's management and control system for Voluntary Coupled Support (VCS) Audit objectives and scope 37 The overall objective of the audit was to assess the design and as far as possible, depending on their stage of implementation, the processes put in place by DG AGRI for managing and controlling VCS. The audit assessed in particular whether these processes effectively contribute to the DG's assurance building process and ensure an effective monitoring of the VCS scheme. The audit assessed the management and control system put in place by DG AGRI for VCS, including performance aspects. It covered the processes put in place by DG AGRI for the review of Member State notifications on their VCS decisions, the guidance provided to Member States, the general design of the internal monitoring process for the implementation of the scheme and the preparedness of the conformity clearance of accounts process regarding the VCS. The audit scope did not include certain provisions permitted under the amended delegated act (i.e modulated per unit amounts and transfers between measures), as the related processes were either only in progress during the fieldwork of the audit or only applicable to claim year 2016 to be paid under financial year 2017. The first claim year for the VCS was 2015. The Commission reimburses only since the beginning of 2016, the expenditure made by a Member State for 2015. Thus, the 2015 Annual Activity Report (AAR) includes no reservations relating to the VCS. However, it includes a reservation on Direct Payments with regard to 10 Paying Agencies involving 6 Member States. Moreover, in annex 10 of the AAR concerning direct payments (including VCS), DG AGRI identifies risks linked to the past implementation of art. 68 of Regulation (EC) No 73/2009, which might affect the implementation of VCS. It also identifies risks linked to the implementation of the reformed system of Direct Payments, having as root cause the greater complexity of the support schemes, the flexibility given to Member States and their diverging interpretations. In the same annex, DG AGRI defines actions to mitigate these risks. The fieldwork was finalised on 7 June 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified three very important issues: • Follow-up of VCS notification assessments Through its assessment of VCS notifications, DG AGRI identified a number of issues, which indicated non-compliance and/or the risk of non-compliance and in certain cases had started ***planning*** EU pilot procedures. However, there is currently no formalised typology used to categorise the detected issues according to their nature, scope, frequency and seriousness. In addition, there is no clear approach on how to follow up these issues through appropriate available tools (e.g EU PILOT procedures, reduction or suspension as well as conformity clearance procedures). Finally, it is not clear which service in DG AGRI should primarily be responsible for following up the specific cases where DG AGRI detected a risk of potential cumulative/overlapping support with rural development. • Monitoring and control of the 2015 financial ceilings 38 DG AGRI is required under the legislation to monitor and control that the amounts of support per measure do not breach the measure-specific ceilings. However, these ceilings are not always clearly specified. Furthermore, for the claim year 2015, although the general VCS ceiling per Member State is systematically controlled on a monthly basis by the EAGF financial unit, this is not the case for the measure-specific ceilings. The IAS analysed the draft working arrangements that were being developed in this regard at the time of the audit fieldwork and concluded that they needed to be further improved from an effectiveness and efficiency viewpoint. • Monitoring of VCS performance The objective of the VCS scheme is to create an incentive to maintain ***agricultural*** production in vulnerable sectors and /or regions. In monitoring the performance of VCS, DG AGRI compares the total area and the total number of animals for which VCS has been paid with the area or number of animals notified by the Member State in 2014. However, the data on which this analysis is based is not always correct or clear (cases were identified where data were missing and/or calculations were erroneous). In addition, the IAS found only very limited evidence that DG AGRI had assessed whether the amount of support given is proportionate to the difficulties described in relation to those sectors or regions concerned. Also, there is no structured monitoring of the impact of VCS in areas of high overall aggregated EU support or in those areas which are most vulnerable to ***agricultural*** market crises. Currently the monitoring arrangements focus more on whether quantitative limits, as notified by the Member States, are respected, rather than at assessing the effect of VCS on the corresponding sector and/or regions. Recommendations To address these issues, the IAS formulated the following recommendations: • Follow-up of VCS notification assessments DG AGRI should send letters of findings in the context of the conformity clearance procedure as soon as possible so that Member States can resolve the deficiencies identified in time for the claim year 2017. It should also clarify the main conditions on how to follow up issues identified both in the 2014 notifications and for future years, for example through triggering EU PILOT procedures, reduction or suspension provisions as well as conformity clearance procedures. DG AGRI should also develop internally a typology to support the comments made when assessing the VCS notifications. Finally, where DG AGRI detects a risk of potential cumulative/overlapping support with rural development, it should ensure that they are properly followed up on a timely basis. The unit primarily responsible should be clearly designated. • Monitoring and control of the 2015 financial ceilings DG AGRI should ensure that, for all VCS measures, a fixed measure-specific ceiling is defined. It should also specifically check for the claim year 2015 that the respective ceilings are met and ensure that the staff responsible for this task are properly trained. As from claim year 2016, the checks should be automated. • Monitoring of VCS performance 39 DG AGRI should identify those VCS measures where the risks of not meeting the scheme's objectives are highest and where there is the greatest likelihood of market distortion. For these measures, DG AGRI should strengthen the current monitoring arrangements, for example by making more use of available complementary data and analysis. 2.3 Audit on public procurement in DG CLIMA Audit objectives and scope The overall objective of the audit was to assess the adequacy of the design and the effective implementation of the service's internal control system with regard to the management of the procurement process and, in particular, its compliance with the Financial Regulation (FR) and its Rules of Application (RAP). This audit tested the key controls throughout the procurement process, from the identification and ***planning*** of the needs through to the signature of the contract, including amendments and price revisions and related payments. The audit covered the procurement procedures awarded in 2015 and in 2016 as well as procurement related payments processed in 2015. The activities of the Advisory Committee were also covered. Public procurement procedures relating to budget appropriations that CLIMA has sub-delegated to other DGs or that DG CLIMA has received as sub-delegation from other DGs were excluded from the scope of the audit. There are no reservations in DG CLIMA's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 24 June 2016. All observations and recommendations relate to the situation at that date. Major audit findings The IAS identified one very important issue: • Justification of public procurement needs The audit revealed weaknesses in relation to the justification of public procurement needs. More specifically, it was not always possible to clearly demonstrate that a needs analysis had been systematically and consistently made. Furthermore, the documentary evidence to support the justification, verification and approval of certain significant changes to the procurement ***plan*** initially decided (for example procurement procedure or budget line) was very limited in practice. The IAS also identified additional weaknesses concerning the definition and the assessment of award criteria and the way in which studies are identified. Recommendation To address this issue, the IAS formulated the following recommendation: DG CLIMA should: 40 • Ensure that a systematic and consistent analysis of the needs for procurement is performed and documented and that any major modifications in ***planned*** procurement procedures during the year are properly justified in writing, approved and documented; • Intensify awareness-raising activities (guidance, training) and strengthen ex-ante controls (internal supervision) as appropriate to ensure full compliance with the applicable rules and guidance (notably as regards award criteria and identification of studies). 2.4 Audit on staff allocation and process management in response to staff reduction in DG ENV Audit objectives and scope The overall objective of the audit was to assess whether, in the light of the challenges it faces, DG ENV has adequate systems in place for allocating staff and is ensuring that its processes are managed as efficiently as possible. The audit covered DG ENV's HR management processes and in particular, the procedures, systems, methods and tools used to allocate staff aligned with the DG's key priorities and objectives. It also covered the DG's overall approach (including methodologies and practices in place) to identify, propose and implement efficiency gains in its processes. However, the audit did not address the issue as to whether or not the DG has the right organisational structure in place. The 2015 Annual Activity Report (AAR) of DG ENV do not include any reservations related to the process audited. The fieldwork was finalised on 10 June 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified one very important issue: • Workload assessment Currently, DG ENV does not have a structured monitoring framework, together with key workload indicators (including proxy indicators), providing regular and quantitative information on workload in the DG. Recommendation To address this issue, the IAS formulated the following recommendation: DG ENV should develop key workload indicators, supported by a clear methodological base and ensure that these are periodically monitored and reported in order to optimise the efficient and effective allocation of its resources. 2.5 Audit on pilot projects and preparatory actions in DG SANTE Audit objectives and scope 41 The overall objective of the audit was to assess the effectiveness of the controls covering the financial management of pilot projects and preparatory actions in DG SANTE. In particular, the design and the implementation of the controls in place were reviewed to assess whether they ensure the legality and regularity of the financial procedures and the financial transactions and whether they are effective. The audit also assessed DG SANTE's internal organisation for the prior assessment of the proposed pilot projects and preparatory actions as well the design and implementation of the financial circuits. This audit covered the key controls designed and implemented in the following processes of the financial management of pilot projects and preparatory actions for 2014-2015: • The processes for ex-ante assessment of the proposed pilot projects and preparatory actions, allocating them within DG SANTE and monitoring and reporting on their implementation; • The procurement process, from the determination of the needs and ***planning*** to the effective implementation of the contract; • The grants process, from the ***planning*** and preparation of the call for proposal to the closure of the grant; and • The financial circuits of the related grants and procurement, including commitments, payments, de-commitments and recovery orders. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3. RESEARCH, ENERGY AND TRANSPORT 3.1 Audit on Human Resources management in DG CONNECT Audit objectives and scope The overall objective of the audit was to assess the effectiveness of DG CONNECT's Human Resource management system to support the achievement of the DG's priorities and core business. The audit aimed to answer the following main question: 'Has DG CONNECT designed and implemented an adequate HR management process to deploy a competent and engaged workforce, in order to deliver the DG's priorities and core business?' The audit covered the design and implementation of the HR strategy and the HR ***planning*** process, including workforce ***planning*** (in the light of potential efficiency gains), staff allocation and change management. The audit also covered the activities performed in terms of learning & development, redeployment and career management. Major audit findings 42 The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.2 Audit on closure of projects of legacy ***programmes*** in DG CONNECT Audit objective and scope The objective of the audit was to assess the effectiveness of the process for the closure of DG CONNECT’s projects belonging to the following legacy ***programmes***: • The Sixth Research Framework ***Programme*** (FP6 2003-2006); • The Seventh Research Framework ***Programme*** (FP7 2007-2013); • The Competitiveness and Innovation Framework ***Programme*** (CIP 2007-2013); • Safer Internet (2009-2013). The audit covered the monitoring and reporting on the closure of projects and the management of the financial distribution report, decommitments, archiving, amendments, complaints and of the implementation of ex-post audit results. There are no observations/reservations in DG CONNECT's 2015 Annual Activity Report that relate to the area/process audited. The following reservations were however made in the 2015 Annual Activity Report concerning legacy ***programmes***: • For FP7, DG CONNECT estimated a residual error rate of 2.58%, which is above the 2% materiality threshold, and therefore issued a reservation in line with similar reservations expressed by the other DGs of the research family. • The residual error rate for CIP amounts to 4.42%. DG CONNECT estimated that the residual error rate will not decrease under the materiality threshold at the end of the ***programme*** and therefore expressed a reservation on the legality and regularity of these payments. The fieldwork was finalised on 28 November 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.3 Audit on the management and functioning of Euratom Safeguards in DG ENER Audit objective and scope The overall objective of the audit engagement was to assess the efficiency and effectiveness of the systems and procedures in place in DG ENER in ensuring that the EC fulfils its obligations stemming from the Euratom Treaty and international agreements. 43 The audit focused on (1) the EC governance framework associated with the Euratom Safeguards; (2) the design and methodologies of the safeguards system; (3) the procurement of services and equipment supporting inspection activities and (4) human resources management. The audit did not cover IT systems and related operations, the cooperation and coordination with the Euratom Supply Agency and with ENER.D - Nuclear energy, safety and ITER, as well as accompanying inspectors to on-site missions. There are no observations/reservations in the DG's 2014 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 16 March 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.4 Audit on the supervision of ITER in DG ENER Audit objective and scope The overall objective of the audit was to assess whether the strategy for the supervision of the ITER project has been adequately designed and effectively implemented. The audit focused in particular on: • The legal/administrative arrangements of the supervision framework; • The Commission's supervision strategy on the ITER project management; • Participation in the work of the ITER IO/F4E governance bodies. There have been no observations/reservations in the Annual Activity Reports of the respective DGs (RTD until 2014, ENER in 2015) that relate to the area/process audited. The fieldwork was finalised on 31 March 2016. All observations and recommendations relate to the situation on that date. However, during the validation/reporting stage, the IAS also took note of the discussion of the evolution of the ITER project, which led to the agreement ad referendum of the long-term schedule by the ITER Council (IC) in June 2016 for the period until 2025. Major audit findings This IAS identified two very important issues: • DG ENER's supervision strategy for the ITER organisation and project A number of internal notes on ITER supervision highlight the different aspects and weaknesses of the ITER project set-up (including action ***plans***) but the Commission 44 has not yet defined and implemented a comprehensive supervision strategy for the ITER project. It is not yet defined what the DG and Euratom aim to achieve with their supervision activities (objectives), taking into account the available supervision tools and their effectiveness and how the effectiveness of the supervision activities will be assessed. In addition, the rules to provide relevant documents for the preparation of the line-to-take at the ITER governing bodies (ITER Council, Management Advisory Committee and Science and Technology Advisory Committee) were not respected (ITER Council) or were non-existent (Management Advisory Committee, Science and Technology Advisory Committee). • Supervision and monitoring of F4E activities The IAS observed that the Commission is currently not in a position to effectively monitor F4E and use this knowledge in the discussions in the relevant governance bodies. This is because it does not receive all the information that is essential to find the best way to address the delays in the critical and highly critical components managed by F4E. Furthermore, the latest F4E annual report and quarterly report are not aligned with the structure of the work ***programme*** and neither is the structure of the work ***programme*** aligned with the project ***plan***, which makes it very difficult to monitor the proposed activities and their level of achievement. In addition, 'The F4E Administrative Arrangement', signed in 2008, has not been updated to take into account several legislative changes while 'The working relations' with F4E have not yet been fully implemented. Recommendations To address these issues, the IAS formulated the following recommendations: • DG ENER's supervision strategy for the ITER organisation and project DG ENER should develop its ITER project supervision strategy, which should set out the supervision needs, the objectives for the supervision activities and the tools to be used. DG ENER should also define working methods and procedures needed to achieve the supervision objectives. This supervision strategy should then be translated into short-term operational activities to mitigate the risks and should be accompanied by indicators to allow the monitoring of the performance of the strategy. DG ENER should have all the necessary information for the subsequent decision-making. To this end, it has to ensure that ITER submits the documents for the meetings on time and to agree formally a submission deadline for the Management Advisory Committee and Science and Technology Advisory Committee documents. It has also to ensure the availability of/accessibility to all the pieces of information/results of analysis necessary to take a considered position in the ITER Council. • Supervision and monitoring of F4E activities DG ENER should reach an agreement with F4E on the type of information it needs on procurement/contract/technical aspects of F4E operations and the results of related risk assessments and in which format this information should be shared to allow DG ENER to effectively address performance issues. Furthermore, DG ENER should 45 update 'the F4E administrative arrangement' to take into account the newly adopted legislation and assess the effectiveness of the existing 'working relations' established between DG RTD and F4E. 3.5 Limited review of the calculation and the underlying methodology of the residual error rate for the 2015 reporting year in DG ENER Audit objective and scope The overall objective of this limited review was to examine the calculation and underlying methodology of the multi-annual Residual Error Rate (RER) reported by DG ENER in its (draft) 2015 Annual Activity Report (AAR), and in doing so, help the DG mitigate the discharge risk by enabling it to take appropriate actions, if any, before their disclosure in the final AAR and in the Synthesis Report. The review covered the following aspects: • The process and methodology for the calculation of the RER; • The calculated RER; • The presentation of the RERs in the draft AAR; • Compliance with the Standing Instructions for the 2015 AAR. The IAS reviewed the draft 2015 AAR and the preliminary RER calculations available on 29 February 2016. It also reviewed the final 2015 AAR to check whether the issues detected during the fieldwork were correctly addressed. The limited review fieldwork was finalised on 15 March 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.6 Audit on Human Resources management in ERCEA Audit objectives and scope The overall objective of the audit was to answer the following question: Has ERCEA designed and implemented an adequate HR management process to deploy a competent (knowledgeable) and engaged workforce in order to deliver its priorities and core business? The audit covered in particular: • The design and implementation of the HR strategy; • The HR ***planning*** process, including workload assessment and staff allocation; • Selection, recruitment and retention of staff; • Knowledge management (training, coaching, competence management); • Monitoring and reporting on HR. 46 There is no reservation in ERCEA's 2015 Annual Activity Report regarding the scope of this audit. The fieldwork was finalised on 2 June 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.7 Audit on the coordination by INEA with its parent DGs during the key stages of the ***Strategic*** ***Planning*** and ***Programming*** cycle Audit objective and scope The overall objective of the audit was to assess whether INEA has put in place appropriate coordination and working arrangements with its parent DGs to ensure the effective implementation of the key stages of the ***Strategic*** ***Planning*** and ***Programming*** (SPP) cycle. The audit focused on INEA's coordination with its parent DGs during the three key stages of the SPP cycle: a) the ***planning*** phase (including the preparation of the CEF and H2020 work ***programmes*** and the Agency's Annual Work ***Programme*** (AWP)), b) the implementation phase (implementation of the AWP) and c) the reporting phase. The parent DGs were not audited. There are no observations/reservations in the 2015 Annual Activity Report (AAR) of INEA that relate to the area/process audited. The fieldwork was finalised on 27 September 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.8 Audit on competitive activities in DG JRC Audit objective and scope The overall objective of this audit was to assess whether the Competitive Activities (CA) are: (i) effectively ***planned***, monitored and reported on, (ii) effectively and efficiently implemented, and (iii) compliant with the applicable rules and guidance. The audit scope covered: • At DG level, the CA governance arrangements and administrative set-up as well as their ***strategic*** ***planning***, monitoring and reporting; 47 • At operational level, the CA contracts' life cycle, namely the contracts' proposals, preparation and implementation, the clients' payments, and the closure of the CA contracts. The financial management of CA was not included in the scope of the present audit. There are no observations/reservations in the JRC's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 3 June 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.9 Audit on setting of objectives and measurement of performance in DG MOVE Audit objective and scope The overall objective of this audit was to assess whether DG MOVE has an adequate performance management framework in place for its day-to-day operational and administrative activities (internal) and for the delivery of its policy objectives (external). The audit assessed the internal processes for setting objectives and key performance indicators as well as the related reporting and monitoring. The audit focused in particular on the following areas: • The process of setting high quality objectives and performance indicators (design and implementation of the process) in line with the policy; • The performance measurement framework for monitoring, evaluating and reporting the (internal and external) performance of activities. The audit covered the processes related to the preparation of the ***Strategic*** ***Plan*** (SP) (2016-2020), the Management ***Plans*** (MP) (2014, 2015 and 2016), the Annual Activity Reports (AAR) (2014, 2015) and he ***Programme*** Statements (PS) for the Draft Budgets 2016 and 2017. In the context of this engagement, the IAS also performed a follow up audit of the 2014 SIAC Audit of Internal Control Standard 5 'objectives and indicators' in DG MOVE. There are no observations/reservations in the 2015 AAR of DG MOVE that relate to the area/process audited. The fieldwork was finalised on 18 March 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified three very important issues: 48 • DG MOVE performance framework The different tools DG MOVE currently uses to ***plan*** and monitor its activities, actions and initiatives are not complemented by an overarching ***strategic*** vision describing how the DG organises its ***interventions*** and how short-term outputs will lead to medium and long-term results and impacts and contribute to the achievement of its ***strategic*** objectives. Consequently, there is no overview, which demonstrates how the different DG's activities contribute to the achievement of its ***strategic*** and operational objectives without gaps or overlaps. Furthermore, there is no centralised approach to monitoring and reporting on longer-term policy achievements (i.e results and outcomes/impacts of transport legislation and ***programmes***). Due to weaknesses identified in the SP and PS (in particular the quality of objectives and indicators), the DG does not have a complete picture of the progress made towards the achievement of its objectives. • Quality of objectives and indicators in the 2016 SP/MP DG MOVE’s Specific Objectives (SOs) are not sufficiently specific and relevant. In particular, they do not clearly specify the situation which needs to be changed and (if relevant) the target group concerned and do not address the needs of society /stakeholders and the wider political context. In addition, six result indicators are not relevant since they measure output and not result. Furthermore, for the spending ***programmes*** CEF and H2020, objectives and indicators in the SP are different from the objectives and indicators in the PS and DG MOVE does not ensure the coherence between the two performance management tools. • CEF PS There is no formal process to prepare the CEF PS and DG MOVE did not complement DG BUDG's Instructions with internal guidance defining the tasks to be performed, the responsibilities and roles of each unit, the timing and workflow, the definition of the indicators with the source of information, the methodology to calculate the indicators and the unit in charge. Due to the lack of clear responsibilities and ownership for the preparation of the CEF PS, the process to collect relevant information was not launched on time, resulting in shortened deadlines and finally in reduced quality of the submitted document. Recommendations To address these issues, the IAS formulated the following recommendations: • DG MOVE performance framework DG MOVE should complete its performance framework by preparing a ***strategic*** view of the DG's activities that establishes a clear logical link (***intervention*** logic) between its high level priorities, objectives and short term actions. The ***strategic*** view/***intervention*** logic should show how the DG intends to prioritise and organise its actions in order to contribute to the SOs, assess whether or not the actions ***planned*** for a given year will contribute to achievement of its SOs and assess the overall progress made towards this achievement. DG MOVE should also develop an integrated approach to performance monitoring and reporting on policy achievements. • Quality of objectives and indicators in the 2016 SP/MP 49 DG MOVE should ensure that its specific objectives meet the SMART criteria and are in line with the DG's responsibilities by either reformulating them or by complementing them with a set of RACER result indicators. These latter should cover the most essential aspects of the DG's activities and focus on results in terms of added value to the EU stakeholders. Furthermore, DG MOVE should streamline the process to set objectives and indicators (and to monitor them) by re-using, to the extent possible, elements included in different performance management tools (SP/MP, ***Programme*** Statement) or in the legal basis. • CEF PS DG MOVE should formally attribute the responsibilities for the preparation of CEF PS, and develop and document a procedure for its preparation and coordination. 3.10 Audit on DG MOVE's monitoring of the aviation and maritime security policies, including related working arrangements with the EMSA Regulatory Agency Audit objective and scope The overall objective of the audit was to assess the effectiveness and efficiency of DG MOVE's monitoring of aviation and maritime security policies. The audit reviewed the ***planning*** and execution of DG MOVE's inspection activities, the use of the Member States annual reporting as well as the management of the necessary human resources for fulfilling the Commission’s obligations. The scope also included: i) DG MOVE’s reporting to the main stakeholders on the assurance obtained from its monitoring activities; ii) DG MOVE's preventive and reactive measures in case of serious aviation and maritime incidents; and iii) cooperation with EMSA. The audit covered the activities conducted in the period 2011-2016. There are no observations/reservations in DG MOVE's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on the 8 December 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified three very important issues: Aviation security field • Monitoring strategy for aviation security policy The EU legislation on aviation security does not provide a precise indication of the level of assurance the Commission has to obtain with its monitoring activities, which, consequently, has to be defined by the Commission itself. DG MOVE's approach has not been formalised in a comprehensive strategy describing the level of assurance to be provided, the monitoring objectives, criteria and methodology, the timeframe, how to use the different monitoring tools and how many resources are needed for that. In addition, DG MOVE has not defined objectives and indicators to measure the performance of the monitoring activity and to evaluate if the current resources are sufficient to achieve the required level of assurance. 50 • Monitoring tools – aviation security policy The information provided by the Member States in the annual report to the Commission on the measures taken to fulfil their obligations under the Regulation concerning their national quality control ***programmes*** is not always sufficient to allow DG MOVE to conclude on the effective implementation of these ***programmes***. There is no documentation describing the exact use made by DG MOVE of the annual reports when monitoring the implementation of EU rules by Member States. In this respect, DG MOVE does not send a formal individual comprehensive evaluation to the Member States emphasising points of reported non-compliance by the appropriate authority (AA). When summarising the information from the annual Member State reports and sharing it in the regulatory committee for civil aviation security (AVSEC), DG MOVE does not complement it with relevant conclusions about the effective implementation of the national quality control ***programmes***. Maritime security field • Monitoring strategy for maritime security policy The EU legislation on maritime security does not provide a precise indication of the level of assurance the Commission has to achieve with its monitoring activities (i.e the monitoring objective), which consequently has to be defined by the Commission itself. DG MOVE's monitoring approach has not been formalised in a comprehensive strategy describing the level of assurance to be provided, the monitoring objectives, criteria and methodology, the timeframe, how to use the different monitoring tools and how many resources are needed for that. In addition, DG MOVE has not defined objectives and indicators to measure the performance of the monitoring activity and it is not possible to evaluate if the current resources are sufficient to achieve the required level of assurance. Recommendations To address these issues the IAS formulated the following recommendations: • Monitoring strategy for aviation security policy DG MOVE should formalise a comprehensive overall strategy for the EC monitoring of the implementation of the EU aviation security standards by the Member States. The strategy should set out the degree of assurance to be obtained through the EC monitoring activities and from the different monitoring tools (individually and collectively), the indicators to be used to measure performance and progress towards the achievement of the monitoring objectives as well as the analysis of the resources needed to obtain the desired assurance. • Monitoring tools – aviation security policy DG MOVE should ensure that Member States provide all information necessary to conclude on the effectiveness of the implementation of the national quality control ***programmes***. This should include, among others, swiftly following-up with the Member States cases of incomplete reporting and revising the template, if structural weaknesses are noted. DG MOVE should document the methodology to be followed by its inspectors when analysing the annual reports in order to ensure that they draw 51 conclusions, for each Member State, on the effective implementation of national quality control ***programmes***. These conclusions should be shared with the other Member States in the AVSEC committee meetings. • Monitoring strategy for maritime security policy DG MOVE should formalise a comprehensive overall strategy for the EC monitoring of the implementation of the EU maritime security standards by the Member States. The strategy should set out the degree of assurance to be obtained through the EC monitoring activities and from the different monitoring tools (individually and collectively), the indicators needed to measure performance and progress towards achievement of the objective and the analysis of the resources needed to achieve DG MOVE's objective. 3.11 Limited review of the calculation and the underlying methodology of the residual error rate for the 2015 reporting year in DG MOVE Audit objective and scope The overall objective of this limited review was to examine the calculation and underlying methodology of the multi-annual Residual Error Rate (RER) reported by DG MOVE in its (draft) 2015 Annual Activity Report (AAR), and in doing so, help the DG mitigate the discharge risk by enabling it to take appropriate actions, if any, before their disclosure in the final AAR and in the Synthesis Report. The review covered the following aspects: • The process and methodology for the calculation of the RER; • The calculated RER; • The presentation of the RER in the draft AAR; • Compliance with the Standing Instructions for the 2015 AAR. The IAS reviewed the draft 2015 AAR and the preliminary RER calculations available on 01 March 2016. It also reviewed the final 2015 AAR to check whether the issues detected during the fieldwork were correctly addressed. The limited review fieldwork was finalised on 15 March 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.12 Audit on H2020 grant management in the REA: part a) from the preparation of the calls for proposals to the signature of the grant agreements part b) administrative logistical services provided for H2020 Audit objectives and scope 52 The overall objective of the audit was to assess the adequate design and effective and efficient implementation of REA's internal control system for: • The grant management process from the preparation of the calls for proposals phase to the signature of the grant agreements in order to ensure that the calls for proposals effectively support the achievement of the H2020 objectives, and that the processes in place ensure that the best research projects are selected and translated into grant agreements, in compliance with the applicable rules; • Administrative logistical services provided for H2020 ***programme*** and its implementing entities. This audit follows the gap analysis review of the H2020 legislation performed by the IAS in 2015, which identified a number of risks faced by the Commission as a result of the co-legislative process. The current audit, as well as similar audits launched in other H2020 implementing bodies, also assessed whether the risks identified in the gap analysis audit are being addressed. The audit covered: • The first implementation phases of H2020 from the ***planning*** of the evaluation of proposals to the signature of the grant agreements by REA in 2014 and in 2015; • Certain administrative and logistic support services provided for H2020 (***planning*** for the calls for proposals and support for publication of calls, general logistical support for the evaluation of proposals including the management of the evaluation facility, and contracting of experts). The following areas were out of the scope of the audit: • The services, provided for the other EU ***programmes***, including the validation process (legal validation of beneficiaries, and the preparation of the applicants' financial viability assessment); • The payment process for experts due to the changes and integration of the payment workflow in the COMPASS IT system as of 2016; • The Research Enquiry Service (RES) through which REA provides replies to the broader public on EU research and innovation funding. There were no observations/reservations in REA’s 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 15 February 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified one very important issue on the management of conflicts of interest (CoI). • Managing conflicts of interest The practices applied among the various operational units regarding the extent of checks for CoI varies, as the existing corporate guidance does not describe the minimum CoI-related checks to be performed and are not complemented by internal guidance. 53 Moreover, in some cases additional keyword checks for identifying direct CoI of evaluation experts were performed after the signature of the experts' contracts, and revealed some instances of CoI. However, as the experts were already carrying out the individual evaluations, their work needed to be re-performed and travel expenses reimbursed according to the contractual provisions. Furthermore, there are no clear procedures and guidance on the roles, responsibilities and the coordination between the operational and the contracting units regarding actions to be taken and procedure to be followed in case of breaches of confidentiality rules and unauthorised processing of personal data. Recommendation To address this issue, the IAS formulated the following recommendation: • The Agency should ensure that sufficient and coherent instructions regarding CoI checks are provided and their application is systematic and consistent; • The existing practices regarding implementation of the keywords matching controls should be harmonised and timely application of the controls – before experts being contracted – should be ensured by the Agency; The Agency should issue specific guidance for staff on managing CoI discovered during the evaluation and establish the procedure to be followed in case of misuse of personal data in the context of the evaluation process where the role of the operational units and the contracting unit should be described with the timeline and steps to be followed. 3.13 Limited review of the calculation and the underlying methodology of the residual error rate for the 2015 reporting year in the REA Audit objective and scope The overall objective of this limited review was to review the calculation and underlying methodology of the multi-annual Residual Error Rate (RER) reported by the REA in its (draft) 2015 Annual Activity Report (AAR), and in doing so, to help the REA mitigate the discharge risk by enabling it to take appropriate actions, if any, before their disclosure in the final AAR and in the Synthesis Report. The review covered the following aspects: • The process and methodology for the calculation of the RERs; • The calculated RERs; • The presentation of the RERs in the draft AAR; • Compliance with the Standing Instructions for the 2015 AAR. The IAS reviewed the draft 2015 AAR and the preliminary RER calculations available on 09/02/2016 as well as the draft 2015 AAR provided to the SG. It also looked at the final 2015 AAR to check whether the issues detected during the fieldwork were correctly addressed. 54 The limited review also considered the results of the work done in 2014 by the IAS on the audit on the 'Implementation of FP7 Control Systems in REA-The Assurance Process' and by the former REA's Internal Audit Capability on the audits on 'Ex-post Audit Process' and on 'Implementation of Ex-post audit Findings'. The audit fieldwork was finalised on 18 March 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 3.14 Audit on Human Resources management in the REA Audit objectives and scope The overall objective of the audit was to answer the following question: Has the REA designed and implemented an adequate HR management process to deploy a competent (knowledgeable) and engaged workforce in order to deliver its priorities and core business? The audit covered in particular: • The design and implementation of the HR strategy; • The HR ***planning*** process, including workload assessment and staff allocation; • Selection, recruitment and retention of staff; • Knowledge management (competency management, training, coaching); • Monitoring and reporting on HR activities. There is no reservation in the REA's 2015 Annual Activity Report regarding the scope of this audit. The fieldwork was finalised on 15 July 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified one very important issue: • Management of the selection process for contractual agents The procedure for the selection of contractual agents (which represent 76 % of current staff) does not clearly indicate where the original selection files should be kept, which documents should be part of the selection file, which documents should be registered in ARES and which ones should be kept only as a paper copies due to their sensitive nature. Most of the selection files examined were stored in different places, and additionally had key documents missing. Moreover, some of the panel members and staff committee observers had not received sufficient guidance on the selection and recruitment procedures, despite not having sufficient experience and knowledge of the process. 55 The current procedure does not clearly outline the controls over the extraction of data from dedicated databases (EPSO, SADB) during the selection process, aimed at ensuring candidates' compliance with the selection criteria. The testing carried out during the audit revealed one case where the approach of the selection panel regarding application of the essential selection criteria for the candidates was not compliant with the internal rules. Recommendation To address the issue, the IAS formulated the following recommendation: • Management of the selection process for contractual agents The Agency should: • Update and revise its selection procedures by clearly defining tasks and responsibilities regarding the checks to be performed, and rules on the documentation of the process, filing and archiving; • Provide training sessions on the roles and obligations of the selection panels for all panel members, secretaries and chairs; • Ensure that controls over the selection process are systematically implemented. 3.15 Audit on procurement in DG RTD Audit objectives and scope The overall objective of the audit was to assess whether the internal control system in place in DG RTD is effective in ensuring the legality and regularity of the procurement management process. In particular, the audit assessed whether the internal control system provides reasonable assurance regarding: • Compliance with the Financial Regulation, its Rules of Application and the specific legal basis; • The effectiveness and efficiency of the processes, including management monitoring and reporting, and the need for simplifying internal administrative rules and procedures. The scope of the audit covered the procurement process, from the identification of the needs to the contract execution. There are no observations/reservations in the 2015 Annual Activity Report of DG RTD that relate to the area audited. The fieldwork was finalised on 5 July 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 56 3.16 Audit on H2020 project management in DG RTD Audit objective and scope The overall objective of the audit was to assess the effectiveness of the project management process with a focus on: • The design of the guidance and procedures by the Common Support Center (CSC); • The implementation of the project management process in DG RTD. The audit covered the design by the CSC and the implementation in DG RTD of: • The monitoring approach (desk or on the spot checks or reviews, using internal or external expertise, in terms of frequency of review) in line with the inherent risks of the projects; • Assessment of the activities of the projects based on deliverables and reports; • Selection of the appropriate course of action in the case of underperforming projects; • Amendments to the grant agreements. The audit assessed how DG RTD ensures that project activities were carried out as agreed and that the project deliverables are ***produced*** as envisaged. The monitoring and assessment of the scientific content of the funded projects during project management was not included in the audit scope. Existing automated controls were considered as part of the audited process. However, the IT tools as such were not in the scope of the engagement. On the Strategy for an effective dissemination and exploitation of Horizon 2020 research results, the audit fieldwork only covered the aspects of dissemination to be addressed during the assessment of the periodic reporting, i.e mainly the assessment of the publishable summary and the review of the progress reached in the implementation of the project's Dissemination ***plan***. There are no observations/reservations in the 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 13 December 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified one very important issue: • Determining the level of monitoring for projects H2020 implementing bodies have not reached a consensus on how project monitoring should be implemented. At the level of the CSC, the existing guidance that recommends to define the level of monitoring on the basis of a project's risk profile, is not mandatory and is only presented as a good practice. DG RTD does not systematically apply the good practice proposed by the CSC to ensure that the level of monitoring is based on a sound analysis of the risks or on the specificities of the projects. In principle, the project officers decide on the specific monitoring measures they want to apply, resulting in different practices observed 57 between Directorates and, sometimes, to the use of a sub-optimal mix of monitoring tools as this would require a derogation from the rules or practices established at DG or Directorate level. Recommendations • Determining the level of monitoring for projects The CSC should adopt rules on project monitoring to ensure that the implementing bodies adapt the level of their project monitoring based on a sound project risk assessment methodology. These rules should also aim at harmonising the practices amongst the implementing bodies. DG RTD should cooperate with the CSC for the establishment of these rules. It should implement these new rules by ensuring that the existing internal rules and procedures on missions and experts do not hamper their application. 3.17 Audit on the implementation of the FP7 ex-post audit strategy by the Common Audit Service in DG RTD Audit objectives and scope The objective of this audit report was to conclude whether the objectives of the FP7 ex-post audit strategy are achieved, by assessing the effectiveness of the key processes and internal controls designed and implemented by the Common Audit Service (CAS), with due consideration given to efficiency and economy principles. The audit focused on: • The control environment in the CAS; • The audit strategy and ***planning***; • The execution of audit engagements; • The monitoring and reporting functions; • The supervision and quality assurance functions. The IAS finalised the fieldwork on 19 July 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Delivery of individual audit engagements There are significant delays in finalising an important number of audit engagements. The root causes for the delays in finalising the audit engagements relate to: a) a long decision-making process for sensitive cases; b) the lack of procedures to finalise the engagements under special circumstances or where systemic issues are identified; c) ineffective backup procedures in cases of long-term absences; d) ineffective prioritisation of long-outstanding engagements. • Audit ***planning***, monitoring and reporting 58 The review of the internal processes of the CAS highlighted that some activities (i.e ***planning*** of audit engagements, staff ***planning***, and performance monitoring and reporting) are not sufficiently developed to support the level of activity of the CAS. This is significant given that the implementation of the H2020 ex-post audit strategy will bring new challenges, thus requiring a more mature internal control system. Recommendations To address these issues the IAS formulated the following recommendations: • Delivery of individual audit engagements The CAS should significantly reduce the average time needed to close the audit files by addressing the root causes of the delays. • Audit ***planning***, monitoring, and reporting For improved ***planning*** and monitoring of audit engagements, the CAS should develop a list with the audits ***planned*** for the year. It should also set target dates and completion dates for the key audit milestones. To better identify resource gaps and establish priorities, the CAS should reconcile the available resources with those necessary to complete the ***plan***. It should also set budgets for audit and non-audit activities and make better use of the existing time-recording system. To enhance the monitoring and reporting activities, the CAS should make use of SMART objectives, indicators and targets. In addition, the H2020 annual targets should be reviewed on a regular basis against the pace that the beneficiaries are lodging cost statements. 4. EXTERNAL ACTIONS 4.1 Audit on payment deadlines in DG DEVCO Audit objectives and scope The overall objective of the audit was to assess the adequacy and effectiveness of the processes in place in DG DEVCO to comply with the rules and regulations, guidance and instructions related to the time limit to pay. The audit focused on the payment process put in place by DG DEVCO in direct and indirect management for the EU budget and the European Development Fund. The audit included an assessment of the following aspects: • Appropriateness of contractual conditions with external parties fixing the time limit to pay and for handling and transmitting invoices to DEVCO Headquarters/EU Delegations; • Effective processing of payment transactions, starting with the handling of the invoices; • Effective implementation of the encoding, registration and suspension procedures in DG DEVCO; • Adequacy of the support (procedures, guidance, training) provided on payment processes; 59 • Adequacy and effectiveness of accounting, quality control, monitoring and reporting activities in place concerning payment deadlines. The transaction testing covered payments processed by Headquarters and by seven Delegations during 2015. Throughout the audit, the IAS also addressed the risks related to the open recommendation from the previous audit on payment deadlines in DG DEVCO, which was not yet sufficiently mitigated. The scope of the current audit did not include IT systems supporting the audited process (CRIS and ABAC). There are no observations/reservations in the 2015 Annual Activity Report of DG DEVCO that relate to the area/process audited. The fieldwork was finalised on 27 June 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Encoding of payment requests in DG DEVCO) Despite DG DEVCO's awareness that registration of payment requests in the accounting system is one of the major causes contributing to its weak performance as regards respect of payment deadlines, it has not been able to find a workable solution to address the issue. For the period January-June 2016, the statistics from DG BUDG show an average time to register of 9 working days for DG DEVCO (compared to the corporate reference of 5 working days). This long registration delay is due to inefficiencies in the physical circulation and the clerical treatment of payment requests. • Monitoring of the payment process in DG DEVCO In 2015, DG DEVCO introduced the Portfolio Management Dashboard, which provides in real time the list of upcoming and already late payments, based on data coming from ABAC. However, despite continuous refinement and improvement of the dashboard, it does not provide for active monitoring by alerting the actors in the financial circuits of possible delays. Moreover, DG DEVCO is not using and analysing the available data on the time spent in the different phases of the payment. Consequently, it is unable to detect and address appropriately the underlying reasons for delays. Recommendations To address these issues, the IAS formulated the following recommendations: • Encoding of payment requests in DG DEVCO DG DEVCO should remind staff of the procedure in place to receive and register payment requests in the five working-days deadline. It has also to ensure that all directorates monitor and manage their correct application in order to comply with the time to register. 60 • Monitoring of the payment process in DG DEVCO DG DEVCO should internally set deadlines for each step in the financial circuit, monitor them and alert the responsible actors in the workflow of actual and potential delays. Furthermore, DG DEVCO should also monitor the use of suspensions and signal payments with long suspension periods. 4.2 Audit on performance management system in DG DEVCO Audit objectives and scope The overall audit objective was to assess the adequacy of DG DEVCO's performance management system to ***plan***, monitor and report on the achievement of its objectives. The audit covered in particular: • The setting of objectives and the related indicators in the different performance management tools: ***Strategic*** ***Plan*** (SP) and Management ***Plans*** (MP), and ***Programming*** documents, including the Multi-Annual/National/Regional Indicative ***Plans*** (MIPs/NIPs/RIPs), the related Annual Action ***Programmes*** (AAPs), the Action Documents (ADs) and any other ***programme*** documents; • The monitoring of the objectives, performance indicators and related targets; • The annual reporting in the External Assistance Management Reports (EAMRs), Sub-Delegated Authoring Officer Reports (SDAOs) and Annual Activity Report (AAR); • The set-up of the Result Framework (RF) and the first year of reporting; • Setting project-level indicators, monitoring and reporting, including project closure. The scope of the audit included ***planning*** and reporting documents prepared in the period 2014-2015, as well as the setting of objectives and indicators in the 2016-2020 SP and 2016 MP (which were finalised during the fieldwork and the finding validation phase). The scope of the audit did not include the evaluation activities and the (traditional) results-oriented monitoring (ROM), since they were included in the scope of a recent audit performed by the European Court of Auditors (Special report 18/2014 'EuropeAid's Evaluation and Results-Oriented Management Systems'). The fieldwork was finalised on 30 June 2016 with the assessment of the final versions of the 2016-2020 SP and 2016MP. The observations and recommendations relate to the situation as of that date. Major audit findings The IAS has identified one very important issue: • Monitoring of and reporting on DG DEVCO's performance towards achieving its objectives There is no systematic monitoring of progress towards the achievement of objectives and targets set in the MP, as the majority of the result and output indicators in DG DEVCO's 2015 MP and Directorates' MPs were not regularly monitored during the 61 year and were calculated at year-end only for reporting in the AAR. For MP DEL, most of the EUDs sampled do not monitor the achievement of their objectives at all (not even at year-end). In addition, there is no central guidance on monitoring and reporting on the objectives and targets set in the ADs. Although DG DEVCO monitors the performance of individual projects, the results of the projects belonging to the same AD are not consolidated to provide information on the achievement of the overall objectives. In terms of reporting, the type of information on DG DEVCO's performance provided by the different ***Strategic*** ***Planning*** and ***Programming***-related reports (AAR, SDAO reports, EAMRs) is limited and does not give an actual assessment of whether objectives have been achieved or not. At the level of ***programmes***, there is no annual reporting on the progress made toward the achievement of the objectives set in the ***programming*** documents, which consolidate the results measured at the level of the projects. Recommendations To address this issue, the IAS formulated the following recommendation: • Monitoring of and reporting on DG DEVCO's performance towards achieving its objectives DG DEVCO should significantly improve its monitoring and reporting arrangements to ensure that key indicators established in the different performance systems are systematically and regularly monitored and appropriate information is provided to senior management and stakeholders on a timely basis. The frequency of the monitoring and reporting should be defined taking into account the nature of the objectives to monitor, the type of indicator and the collection methods as well as the monitoring and reporting needs and expectations expressed by management and stakeholders. 4.3 Audit on direct management of grants in DG DEVCO (DCI and EDF) Audit objectives and scope The overall audit objective was to assess the control systems put in place by DG DEVCO to manage grants under direct management in order to achieve the ***programme*** objectives and to ensure the legality and regularity of the expenditure. The audit covered in particular DG DEVCO's processes for managing grants under direct management assessed to have the highest risks, namely: • Alignment of the grant's funded activities with DG DEVCO's ***strategic*** and operational objectives set in the ***programming*** documents (Annual Action ***Programme*** and the related Action Documents); • Assessment if the grant agreements provide an effective framework for the implementation of the projects involved (e.g indication of the expected results and time limits, grant amendments not changing significantly the budget, the time for implementation or the core of the action); 62 • Operational monitoring and reporting of the implementation of the projects, including the assessment of their final results; • Review of the process to check that the payments are in accordance with the contractual provisions (reports submitted by the grant beneficiaries, expenditure verification reports prepared by external auditors and the related checks performed by DG DEVCO). The scope of the audit did not include: a) the selection and award of grants and b) the evaluation activities (included in the scope of the European Court of Auditors' Special Report 18/2014 on 'EuropeAid's Evaluation and Results-Oriented Management Systems'). The fieldwork was finalised on 1 December 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 4.4 Audit on the instrument contributing to stability and peace in FPI Audit objectives and scope The overall objective of the audit was to assess the effective and efficient management of the Instrument contributing to Stability and Peace (IcSP) by the FPI. The processes in the scope of the audit were: • Identification/formulation of crisis response actions; • Contracting; • Operational and financial monitoring; • Reporting from EU Delegations to FPI Headquarters. The audit scope included Art. 3 and Art. 4 of the IcSP, while Art. 5 of the IcSP, managed by DG DEVCO, was outside the audit scope. In addition, the audit did not cover the IcSP legal basis, ***programming*** (Art. 4), ex-post controls of projects, and evaluations. There are no observations/reservations in FPI's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 22 November 2016. The observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 63 4.5 Limited review of DG NEAR's residual error rate methodology and calculation for the 2015 reporting year Audit objectives and scope The objective of this limited review was to review the calculation and underlying methodology of the Residual Error Rates (RER) reported by DG NEAR in its (draft) 2015 Annual Activity Report (AAR), and in doing so, to help the DG mitigate the discharge risk by enabling it to take appropriate actions, if any, before the disclosure of the error rates in the final AAR and in the Synthesis Report. The review covered the following aspects: • The process and the methodology for the calculation of the RERs for the different ***programmes*** and management modes of DG NEAR; • The calculated RERs; • The presentation of the RERs in the draft AAR; • Compliance with the Standing Instructions for the 2015 AAR. The IAS reviewed the draft 2015 AAR and the RER calculations available on 11 March 2016. It also analysed the final AAR dated 5 April 2016 to verify to what extent the recommendations and comments of the Draft Audit Report were taken into account in the final AAR. The main part of the fieldwork was finalised on 18 March 2016. All observations and recommendations relate to the situation as of that date except for the points arising from changes introduced in the methodology for the calculation of the amount at risk from the draft to the final AAR that were analysed by the IAS after the issuance of the final AAR on 5 April 2016. The results of that additional analysis have been incorporated into this report where applicable together with DG NEAR's comments as appropriate. As the result of the fieldwork, the IAS issued two sets of recommendations in order to a) address immediately the issues detected in the 2015 draft AAR, and b) identify a long term solution for future AARs. The sub-recommendations related to the 2015 AAR have been either immediately implemented by DG NEAR or rejected. They have been followed up in the course of the engagement, when analysing the 2015 final AAR. Therefore, no action ***plan*** was requested to the DG in response to them. Major audit findings The IAS has identified two very important issues: • IPA - Indirect management with beneficiary countries The 2015 RER for indirect management with beneficiary countries (IPA), representing approx. 13% of the payments executed in 2015, is based solely on the error rates reported by the Audit Authorities of the three beneficiary countries (Turkey, the former Yugoslav Republic of Macedonia (fYRoM) and Croatia). As stated in the individual country reports, the audit work is based, for different reasons, on non-statistical samples and in some cases the sample selection is not purely random. In 64 addition, no specific checks are performed by DG NEAR to obtain assurance on the reliability and representativeness of these results as a basis for the RER and no other sources are used by DG NEAR to corroborate them. For those reasons, the residual error rate of 0.02% included in the 2015 AAR for the enlargement ***programmes*** implemented through IMBC is neither representative nor reliable. Concerning the calculation of the amount at risk, for 2015 DG NEAR used a range which is based on figures which are not reliable. In particular, DG NEAR used a predicted error rate based on certain assumptions rather than the actual RER which was already known at the time of the calculation. • Enlargement – Direct management A number of detected errors included in the ex-post audit reports on Enlargement – direct management addressed to the EU Delegations in 2015 are reported as non-quantifiable. However, the approach used by DG NEAR for the assessment of procurement errors is not in line with the Standing Instructions and some of these errors may be quantified if the methodology prescribed by the Standing Instructions was applied. This would lead to a higher RER for this category of expenditure that represents approx. 16% of the payments executed in 2015. In addition, the calculation of the RER for Enlargement– direct management does not take into account the correct sampling interval for the establishment of the projected errors for the period 2013 – 2015. A recalculation leads to an increase of the RER from 1.48% to 1.62%. Recommendations To address these issues, the IAS formulated the following recommendations: • IPA - Indirect Management with Beneficiary Countries For the 2015 AAR, the IAS recommended DG NEAR to assess the reliability of the error rate information reported by the national Audit Authorities of the beneficiary countries, taking into account their annual reports and other available assessments, in order to reach a conclusion whether the reported error rate for each country is reliable and based on an appropriate and robust methodology. In the 2015 final AAR, DG NEAR maintained the 2015 RER of 0.02% despite the criticisms raised by the IAS. However, it disclosed the fact that 'in 2016, DG NEAR intends to further fine-tune its approach to calculating the RER in this control environment, as well as offer continued support to the audit authorities.' For the future AARs, DG NEAR should define a sound methodology for the calculation of the RER and the amount at risk which follow a multi-annual approach and should develop guidance on the assessment of the reliability of the error rates reported by the Audit Authorities and the calculation method for the RER for IPA- IMBC. • Enlargement – Direct Management The IAS recommended to DG NEAR to recalculate the RER for the 2015 AAR by applying a sampling interval based on the entire 2013-2015 population and to assess if the non-quantifiable errors reported during 2015 can be quantified based on the 65 methodology prescribed by the Standing Instructions. Both points were taken into account in the 2015 final AAR. Regarding the 2016 AAR, DG NEAR should update the methodology for the treatment of errors (quantifiable versus non-quantifiable) based on the Standing instructions for the AAR. 4.6 Audit on risk management in DG NEAR Audit objectives and scope The overall objective of the audit was to assess the effectiveness of DG NEAR's risk management process to identify, assess and manage critical and significant risks in line with the accepted risk level. The audit covered DG NEAR's risk management process, from the identification of objectives until the monitoring of and reporting on the implementation of the risk responses. The audit looked at the design of the risk management process and its implementation at DG NEAR Directorate-General and Directorate level. The following processes were out of the scope of the present engagement: • The objective-setting exercise: the audit looked at the choice of the objectives for which the risks had been identified and assessed, but not at the process to set the objectives; • DG NEAR's specific risk assessment exercises (e.g in the context of IT project management, external audit ***plan***, Business Continuity ***Plan*** or IT security ***plans***): the IAS looked at whether these exercises had been integrated in order to have a complete picture of the risk management process in DG NEAR, but did not audit them in detail. The fieldwork was finalised on 1 April 2016. All observations and recommendations relate to the situation as of that date. There are no observations/reservations in DG NEAR's 2015 Annual Activity Report related to the audited area/process. Major audit findings The IAS identified four very important issues: • Risk management framework DG NEAR has not clearly established and allocated the roles and responsibilities of the various actors involved in the coordination of the risk management at central and Directorate level (Internal Control Coordinator and supporting staff and risk management coordinators in the Directorates). In addition, there is no risk steering committee ensuring a high level coordination of the risk management. Furthermore, there is no integrated management of risks, encompassing all the risk assessment exercises performed in DG NEAR (e.g coherent guidelines, unique methodology), to ensure cost-effectiveness and harmonisation. 66 • Risk identification and assessment DG NEAR performs its risk identification and assessment mainly through desk reviews, without complementing them with other techniques such as workshops, questionnaires, interviews or brainstorming sessions. In addition, the risk management exercise focuses solely on critical risks. Consequently, any risk not assessed as critical at DG level is not formally identified, assessed and addressed, and no action ***plan*** is prepared, monitored and reported upon. Furthermore, no instructions have been developed at DG level to ensure a consistent implementation of risk management across the Directorates. Finally, DG NEAR has not established a risk register to document risks and mitigating actions. • Risk acceptance, risk response and implementation DG NEAR has neither identified its risk appetite nor issued guidance to support the identification of the most appropriate risk response. The description of the risk response is often vague and the action ***plans*** are frequently too generic, without stating the process owners, milestones, and deadlines. • Monitoring and reporting DG NEAR has not established the modalities, scope, timing and allocation of responsibilities for reporting progresses on the implementation of the action ***plans***. In addition, there is no central monitoring of and reporting on the risk identified in the context of the annual risk management exercise and the related action ***plan***. In addition, there is no evidence of a regular reporting to the Cabinet of DG NEAR's critical risks and mitigating actions. Furthermore, sensitive information was found in documents related to the DG NEAR's risk management without an adequate protection against inappropriate disclosure. Recommendations To address these issues, the IAS formulated the following recommendations: • Risk management framework DG NEAR should clearly describe and formally attribute the roles, responsibilities and tasks in the risk management process, and should establish a steering committee to ensure that the risk management process is coordinated and consistent across the DG. It should also improve the coordination and synergy of its various existing risk assessment exercises. • Risk identification and assessment DG NEAR should improve the methodology used for identifying and assessing risks, and enlarge the scope of the risk management exercise to significant risks at Directorate level. It should also provide internal guidelines to clarify key aspects for risk management, and establish a risk register at both DG and Directorate level. • Risk acceptance, risk response and implementation DG NEAR should define its acceptable risk level, ensure that each identified risk has a clear risk response, and the mitigating actions are clearly formulated with formally assigned process owners, milestones and deadlines. 67 • Monitoring and reporting DG NEAR should establish proper monitoring and reporting arrangements, with clearly established responsibilities. It should provide guidelines on data protection for the sensitive information included in the relevant risk management documents. 4.7 Review of the tender procedure EuropeAid/133797/DHL/SUP/XK, following the article 99(4) complaint received on 20 March 2016 (DG NEAR) Audit objectives and scope On 20 March 2016 the IAS received a complaint by e-mail under Article 99.4 of the Financial Regulation. The complaint contains allegations regarding the high price that was due to be paid by the EU Office in Pristina for the supply of 12 vehicles and therefore the non-compliance of the award of the contract with the principles of economy, efficiency and effectiveness. The complainer asked the IAS to check the information provided and, if there was a case to answer, to stop the procurement. While the IAS has no management responsibility and cannot take decisions concerning a tender procedure, it decided, in the context of its mandate, to perform a desk review of the tender procedure concerned. Major audit findings The review resulted in a few issues for consideration. However, the IAS did not require DG NEAR to prepare an action ***plan*** and will not follow-up the issues for consideration. 4.8 Audit on procurement under the Instrument for Pre-Accession (direct management and indirect management with beneficiary countries) – phase I Audit objectives and scope The objective of the audit was to assess whether procurement under the Instrument for Pre-Accession - direct management and indirect management with beneficiary countries is implemented effectively and in compliance with the applicable rules to ensure the legality and regularity of operations. The specific objectives included an assessment of: • NEAR Headquarters (HQ) guidance/procedures on the procurement process; • DG NEAR monitoring arrangements on the procurement process; • Coordination, ***planning*** and monitoring of the procurement process by EU Delegations (EUDs); • Implementation of procurement under direct management; • Ex ante controls performed by DG NEAR staff in EUDs on procurement procedures managed by beneficiary countries under indirect management with beneficiary countries, except Turkey. For both management modes, the audit covered: 68 • NEAR HQ guidance, training and procedures on the procurement process; • NEAR HQ monitoring arrangements on the procurement process; • Coordination, ***planning*** and monitoring of the procurement process by EUDs; • The different phases of the procurement process from drafting the terms of reference / technical specifications to the signature of the contract and its early amendments. There are no observations/reservations in DG NEAR's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 30 November 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 5. EDUCATION AND CITIZENSHIP 5.1 Audit on performance management systems in DG EAC, including the contributions of executive agencies and national agencies to the achievement of policy objectives Audit objectives and scope The overall objective of the audit was to assess the extent to which DG EAC has an adequate performance management framework/system in place both for its day-to-day operational and administrative activities (internal) and for the delivery of ***programme*** and policy objectives (external). The audit reviewed the internal processes for defining the DG's performance systems and establishing its objectives and indicators, as well as the related reporting, evaluation, monitoring, and supervision systems. The scope also included the processes within DG EAC to ensure appropriate contributions of EACEA, REA, and of the National Agencies (NAs) to the monitoring and measurement of the external performance. The audit covered the period 2014-2016. The supervision of EIT, the financial instruments delegated to EIF and the parts of the ***programmes*** whose implementation is delegated to other DGs, the performance of the NAs and DG EAC IT systems supporting the performance management systems were not included in the audit scope. There are no observations/reservations in DG EAC's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 13 September 2016. All observations and recommendations relate to the situation as of that date. Major audit findings 69 The IAS did not identify any material risks that would give rise to critical or very important recommendations. 5.2 Audit on DG HOME's management of emergency assistance in the context of the migration crisis Audit objectives and scope The overall objective of the audit was to assess if DG HOME is managing the emergency assistance (EMAS) in the context of the migration crisis effectively, while still ensuring the legality and regularity of the underlying transactions. The audit covered both the direct management of EMAS by DG HOME and the indirect management through the delegation agreement with the UNHCR. For the direct management part of EMAS (representing 83% (384.5 million EUR) of the EMAS funds), we focused on: 1) the needs assessment 2) the application process 3) the evaluation process 4) the award and contracting process 5) monitoring and reporting and 6) control systems for making payments (including ex-post controls). For the indirect management part (representing the 17% (80 million EUR of the EMAS funds), we focused on assessing the processes and procedures for delegating and supervising the management of the EMAS actions by UNHCR. There are no reservations in the 2015 Annual Activity Report of the DG that relate to the area/process audited. The fieldwork was finalised on 21 September 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified four very important issues: • Direct grant management - ***Planning***, evaluation and contracting Although there is no legal obligation for DG HOME to perform a needs assessment and the situation on the ground is rapidly and constantly changing, the IAS has noted that various documents exist, which assess the different Member States (MS) underlying funding needs. However, currently these are not brought together in an overall analysis to clearly contribute to and support the EMAS Annual Work ***Programme*** (AWP) and its various updates. In addition, these are not systematically taken into account for the evaluation process of applications for EMAS funding. Furthermore, the guidance to applicants lacks clear instructions on the information to be provided about the emergency situation concerned, the proposed actions and their impact. Consequently, the quality of a number of the applications reviewed by the IAS was insufficient, particularly regarding Key Performance Indicators and targets. Also, certain applications reviewed by the IAS lacked sufficient information on similar actions that may have been funded under previous ***programmes*** or from other sources. Internal guidance on evaluation does not clearly explain the timing and objectives of the first assessment of applications. As a result, there were different approaches on the timing, depth and scope of this assessment. In addition, the respective roles and 70 responsibilities of the country desk officer and the project officer were unclear and the audit trail not always complete. As regards the evaluation process, DG HOME's requirement that applications are evaluated beforehand by three individual internal evaluators should be seen as good practice. However, the guidance and training provided to evaluators is lacking with respect to assessing applications against the award criteria, the budget forecast and the complementarity with other actions funded. As a result, there are inconsistencies and gaps in the way the individual assessments were performed and documented. In a limited number of applications, individual evaluations were not made as the process had to be conducted at very short notice in response to very urgent, high level political decisions. The IAS acknowledges that in such situations it is not always realistic to follow the normal procedures. In addition, the minutes (reports) of the Evaluation Committee, which are the basis for the award decision by the authorising officer, lacked sufficient justification or explanation for the decisions taken or did not include information beyond what is already in the individual evaluation forms. However, the IAS notes that the minutes of recent Joint AMIF-ISF committee meetings are more detailed in this regard. For a number of award decisions taken before the reorganisation of Directorate E at the end of 2015, the actual grant recipient was not clearly identified. In addition, certain issues which required clarification prior to the contracting phase were not properly documented and therefore it was not clear to the IAS that these had in fact been fully addressed in the grant agreement. Where grants have been amended, these sometimes lacked a documented justification. Furthermore, the approach taken was not always consistent, for example as regards granting or refusing an extension of the period for providing the final reporting package or when properly justifying the amendment. Internal procedures were not always respected, for example on consulting policy units on amendments involving significant budget transfers or changes of the content of the actions. • Direct grant management – Monitoring, payment and controls As part of its monitoring arrangements DG HOME carries out a range of different missions to MS, but it has not yet defined the precise nature, purpose and timing for the different types of mission. Consequently, they are not always fully effective in helping to assess the actual progress made towards achieving the objectives of the actions funded. Furthermore, the grant agreements with beneficiaries did not always include provisions for reporting progress made to DG HOME. There was no evidence that the reports submitted by beneficiaries have actually been systematically reviewed and followed up by DG HOME. Concerning payments, the pre-financing for EMAS grants is typically set at 80%, although some grants involve a higher risk (e.g resulting from the urgent nature of actions or the retroactive funding of actions already started). It is usually good practice to use lower pre-financing rates or pay out in tranches in order to mitigate situations where specific grants present higher risks. This was done only for two of the EMAS grants reviewed by the IAS. Furthermore, although it is still early in the implementation phase and few final payments have been made, the IAS nevertheless found that the final payment procedure needs to be improved in certain areas. Also, due to the heavy reliance 71 placed by DG HOME on audit certificates, it will need to monitor very carefully the associated risks as regards their quality. Audit work performed by the IAS on the use of audit certificates in other policy areas highlights certain issues in this respect. Finally, despite the fact that EMAS grants are higher risk because of their urgent nature and the significant increase in budgetary terms, the DG has not yet developed a fully-fledged control strategy comprising all control layers and procedures (i.e ex-ante and ex-post; financial and operational). Also, there is not yet an audit strategy/***plan*** in place for EMAS grants. In addition, the DG's overall Anti-fraud strategy does not yet fully take account of EMAS related risks. • Indirect grant management - Delegation Agreement with UNHCR The basis for the Delegation Agreement (DA) with UNHCR lacks a solid documented analysis of needs and consultation of other relevant services. Furthermore, there are gaps in the design of the monitoring and supervisory arrangements. In particular, objectives are not clear or specific enough, most actions lack specific targets, key performance indicators and milestones. Although the Financial and Administrative Framework Agreement (FAFA) between the EU and the UN provides the overall framework for Commission controls on UN-led projects financed by the EU, DG HOME has not yet defined its own specific control strategy for EMAS projects implemented by UNHCR. Finally, the DG has not assessed the cost-efficiency of the actions included in the DA. • Complementarity of EMAS with other DG HOME funding Whilst the funding of actions to address the migration crisis through EMAS is on the increase, the absorption rate under the shared management 2014-20 National ***Programmes*** is very low for most MS. This is due to a combination of factors, such as the late adoption of the legal base and delays in the designation of Responsible Authorities. Consequently, MS have found it difficult to mobilise the necessary funding from the National ***Programmes*** to address migration issues as quickly as has been possible under the EMAS mechanism. Although it is too early to assess definitively at this stage, there is a risk that the flexibility offered by the EMAS tool, coupled with the fact that this funding comes on top of the allocation to the MS under the National ***Programmes***, may further contribute to the low take-up of the National ***Programmes***. In certain cases, it would appear that more use could have been made of funding under the National ***Programmes*** to provide more sustainable and longer-term results. This is very clear in the case of Greece, where the lack of budgetary and administrative capacity of the Greek government has led to EMAS being used to cover almost all funding and financial support needs for the management of the migration crisis. Recommendations • Direct grant management - ***Planning***, evaluation and contracting DG HOME should strengthen the needs assessment process, including the underlying analysis. It should also improve its guidance on the key steps of the EMAS management process. • Direct grant management – Monitoring, payment and controls 72 The DG should finalise and establish its procedures for monitoring EMAS grants, clarifying how the different monitoring tools complement each other in order to provide sufficient assurance on EMAS grants implementation. DG HOME should continue to apply a more risk-based approach to pre-financing on an exception basis and ***plan*** to monitor the quality of audit certificates. The control strategy for the direct management of EMAS should be defined, comprising all control layers and procedures (i.e ex-ante and ex-post; financial and operational), as well as the audit strategy and audit ***plan***. • Indirect grant management - Delegation Agreement with UNHCR DG HOME should ensure that the decision process, including needs analysis, for any future modifications/amendments or extension of the DA is sufficiently justified, consulted with relevant parties and adequately documented. The DG should ensure that well-defined objectives and specific monitoring provisions for the funded actions in line with FAFA are established. • Complementarity of EMAS to other DG HOME funding DG HOME should perform, in the context of its preparations for the post 2020 ***programming*** period and the mid-term evaluation of the AMIF and ISF, an analysis of the 'lessons learned' from the first years of implementation of the National ***Programmes*** and EMAS and of the complementarity between the National ***Programmes*** and the EMAS. This should be used to feed into the re-***programming*** (amendments of National ***Programmes***) or re-orientation of the different funding tools/resources available to help in addressing the migration crisis. 5.3 Consulting engagement in DG HOME on the methodology for determining the 'materiality level' and measuring the 'residual amount at risk' for the Annual Activity Report Audit objectives and scope The overall objective of the engagement was to review the processes put in place by DG HOME for determining the 'materiality level' and for measuring the 'residual amount at risk' in the context of its reporting obligations in the Annual Activity Report (AAR) and to provide advice on potential improvements. The scope of the consulting engagement covered two areas, namely: • The process of determining the 'materiality level' (Part 1 of the engagement); • The process of measuring the 'residual amount at risk' (Part 2 of the engagement). According to DG BUDG Guidance, in order to come to a sound conclusion on whether to qualify the Authorising Officer by Delegation's (AOD) declaration with a reservation and, if so, to estimate its impact in monetary terms the following approach (the '3+1 steps' approach) should be followed: • Step 1: calculating the representative detected error rate in a sample of transactions and taking account of any corrections made for the calculation of the residual error rate in the entire population; 73 • Step 2: estimating the financial exposure as (net) 'amount at risk' to the value of the relevant payments authorised during the reporting year, based on those error rates calculated for a population of transactions mostly authorised in previous years; • Step 3: relating the 'amount at risk' for the activity considered to the relevant aggregation level for determining whether a reservation would be due; • Step 4: 'if' a reservation is entered, then assessing its relative impact on the AOD's overall assurance and Declaration. The scope of our consulting engagement as regards the 'materiality level' concerns 'Step 3' above, in particular the identification of the most appropriate 'relevant aggregation level' for determining whether a reservation would be due. The scope of our consulting engagement as regards the 'residual amount at risk' concerns 'Step 1' and 'Step 2' above, in particular the assessment of the method used by DG HOME to calculate the 'residual error rate' (step 1) and the 'residual amount at risk' (step 2) for shared management. In the context of this consulting engagement, the IAS did not: • decide on the 'materiality' level to be used in the AAR or on the method used for measuring the residual amount at risk. These are management (AOD) decisions; • perform substantive testing of the existing processes; • develop concrete templates to support the processes; • assess the clarity and completeness of the information provided in the AAR on 'materiality level' and 'residual amount at risk' and drafting any input for the AAR. Major audit findings The consulting engagement resulted in a number of issues for consideration. As this is a consulting engagement and not an audit, the IAS does not follow-up these issues for consideration. 5.4 Audit on the management of grants under 2014-2020 Justice and Rights, Equality and Citizenship ***programmes*** in DG JUST Audit objectives and scope The overall objective of this compliance audit was to assess the design and effective application of the internal controls for managing grants under the 2014-2020 ***programming*** period by DG JUST. In particular, the audit assessed whether the controls in place provide reasonable assurance regarding compliance with the relevant legislation and whether they ensure sound operational management of the grant management process. The audit took place at an early stage of the implementation of the Justice and Rights, Equality and Citizenship ***programmes***. The grant management process could therefore only be audited up to the pre-financing stage of the 2014 grant procedures and the preparation of the 2015 calls/invitations for proposals. The audit also covered aspects of the implementation phase, to the extent possible in view of the early stages of the process overall. 74 The audit focused on: • Annual Work ***Programmes*** (AWPs) – preparation and publication; • Calls for proposals (CfP) – preparation, approval and publication; • Evaluation – selection of experts, evaluation of proposals, adjustment of proposals, award decision, and ex post publication of the list of awarded grants; • Contracting – formalisation of the proposal into a grant agreement, respect of deadlines; • Payment – budgetary commitments, pre-financing; • Communication – provision of information to applicants; • Implementation phase – concerning mainly audit and control arrangements. There is a reservation in the 2015 Annual Activity Report of DG JUST concerning the high residual error rate (2,86%) in direct management grants. The fieldwork was finalised on 10 May 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Evaluation process There is scope for considerable improvement in the overall evaluation process. Currently, there is lack of guidance to support evaluators when they score project proposals and inconsistencies and gaps in the way in which the results are documented, including the justification for third evaluations. Also, the process is less efficient because the irrelevant proposals could be eliminated at an early stage as part of a two-stage procedure. Currently, this is not done and all the proposals are evaluated in depth as part of a single review. Moreover, only two evaluators evaluate all the proposals and an additional evaluator could help eliminate the need for reconciliations and lead to fewer third evaluations being needed. Finally, there is no overall panel review involving all the evaluators aimed at ensuring overall consistency and equal treatment of applicants. • Contracting phase At the contracting phase, a lack of guidelines has resulted in inconsistencies in the way in which proposed grant budgets are reviewed. Furthermore, this review process generally only starts after the award decision has been made, which is too late to be able to detect potential budgetary problems. Also, whereas adjustments should be flagged in the evaluation reports, in practice these are made only at the later, budget review stage. Recommendations To address these issues, the IAS formulated the following recommendations: • Evaluation process DG JUST should develop guidance on scoring, clearly justify in the evaluation reports the reasons for each third evaluation and perform a panel review with all the external 75 experts in order to compare and assess proposals. In order to increase the efficiency of the process, it should also exclude in a first step irrelevant projects from further evaluation. • Contracting phase DG JUST should ensure that the budget review starts as soon as there is a provisional merit list so that recommendations for any adjustments that might be needed can be included in the evaluation report. The DG should also ensure a consistent approach between project officers for the budget review. 5.5 IAS review on mapping of EC refugee crisis ***interventions*** The mapping exercise was included in the 2016 audit ***plan*** with the aim to gather sufficient, useful and relevant information to support and better focus the future IAS audit engagements on the key risks in the area. 6. ECONOMIC AND FINANCIAL AFFAIRS 6.1 Audit on effectiveness of the management of the COSME ***Programme*** by EASME Audit objective and scope The overall objective of the audit was to assess the effectiveness of EASME's management and control systems in managing the delegated parts of the COSME ***programme***. In particular, the audit assessed the effectiveness of the division of roles and responsibilities between EASME and DG GROW and of the processes in place in EASME to set the operational objectives and performance indicators in the context of the implementation of the COSME actions and to report to the parent DG. The scope also included the adequacy of the internal control system to manage the delegated COSME actions. The audit covered the period 2014-2016. There are no observations/reservations in the Agency's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 15 October 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified one very important issue: • Cooperation between EASME and its parent DG for implementing COSME) The Agency has had most of the time no robust basis for preparing the COSME related part of its Annual Work ***Programme*** (AWP) and ***planning*** its work due to the late contribution by the parent DG and the significant changes in the COSME Work 76 ***Programme*** (WP) during the mid-term review. This had resulted in certain COSME related parts of the AWP already implemented during the first half of the year having become obsolete after the mid-year update of the COSME WP. Therefore, the related work performed until this modification was finally wasted. EASME has not sufficiently assessed the impact of this on the efficient implementation of the delegated actions and has not established an up-to-date ***planning*** document that takes into account all the changes to the delegated actions during the year. Recommendations To address this issue, the IAS formulated the following recommendation: • Co-operation between EASME and its parent DG for the implementation of COSME EASME should formally assess the impact of DG GROW's delays and of the changes to the WP, and identify possible measures to improve the cooperation with its parent DG, including a revision of the Memorandum of Understanding. For future COSME WPs, EASME should formally agree with DG GROW that the list of the delegated actions and support measures is provided sufficiently early to allow for preparing a robust AWP. The Agency should also revise its Department A WP to take into account any significant changes to the COSME WP. 6.2 Audit on financial management, procurement and grant processes in DG ECFIN Audit objectives and scope The audit assessed the adequacy of DG ECFIN's management of grants, procurement and the related financial transactions. In particular, it reviewed the design and the implementation of the controls in place to assess whether they ensure the legality and regularity of the financial procedures and the financial transactions and whether they are effective and efficient. This audit covered the key controls carried out on procurement and grant procedures completed in 2015 and on financial transactions executed in 2015. The engagement covered the controls carried out on the financial transactions directly and entirely executed by DG ECFIN as Authorising Officer by Sub-Delegation (AOSD), i.e excluding cross-delegations and sub-delegations. There are no observations or reservations in DG ECFIN's 2015 Annual Activity Report related to the audited processes. The fieldwork was finalised on 31 May 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 77 6.3 Audit on setting of objectives and measurement of performance in DG GROW Audit objectives and scope The overall objective of the audit engagement was to assess whether the DG has an adequate performance measurement framework in place for its day-to-day operational and administrative activities (internal) and for the delivery of its policy objectives (external). The audit assessed the internal processes for setting objectives and key performance indicators as well as the related reporting and monitoring. The audit focused in particular on the following areas: • The process of setting high quality objectives and performance indicators (design and implementation of the process) in line with the policy; • The performance measurement framework for monitoring, evaluating and reporting the (internal and external) performance of activities. The audit covered the processes related to the preparation of the ***Strategic*** ***Plan*** (2016-2020), the Management ***Plans*** (2014, 2015 and 2016), DG ENTR Annual Activity Report (2014), DG GROW Annual Activity Report (2015) and ***Programme*** Statements (Draft Budget 2016 and 2017). There are no observations/reservations in the 2015 Annual Activity Report (AAR) of DG GROW that relate to the area/process audited. The fieldwork was finalised on 13 April 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • DG GROW performance framework The different tools DG GROW currently uses to ***plan*** and monitor its activities, actions and initiatives are not complemented by an overarching ***strategic*** vision describing how the DG organises its ***interventions*** and how short-term outputs will lead to medium and long-term results and impacts and contribute to the achievement of its ***strategic*** objectives. Consequently, there is no overview which demonstrates how the different DG's activities contribute to the achievement of its ***strategic*** and operational objectives without gaps or overlaps. Furthermore, the different performance management tools in place in DG GROW are insufficiently coordinated at the ***planning*** and reporting phase and their respective contents are not aligned, coherent and consistent. • Monitoring of and reporting on performance in the context of the SPP cycle The DG's 2016-2020 ***Strategic*** ***Plan*** does not always provide sufficient information to understand which unit is in charge of monitoring the different indicators and which data sources will be used for this purpose. In addition, there is neither a formalised procedure nor internal instruction/guidance available on the monitoring of the result indicators included in the ***Strategic*** ***Plan*** and for reporting on progress made towards the achievement of the established targets. As regards reporting, IAS noted some cases 78 where different ***Strategic*** ***Planning*** and ***Programming*** documents provided inconsistent information about indicators. Recommendations To address these issues, the IAS formulated the following recommendations: • DG GROW performance framework DG GROW should clearly set out its ***strategic*** view by establishing a logical link (***intervention*** logic) between high level priorities, ***strategic*** and operational objectives and short term actions as established in its different strategy documents and performance tools (***Strategic*** ***Plan***, Management ***Plan***, Annual Activity Report, ***Programme*** Statements, Agenda ***planning***, different tools at unit level). The ***strategic*** view should allow it to assess whether or not the actions ***planned*** for a given year will contribute to the achievement of its specific objectives and of the Commission’s priorities. • Monitoring of and reporting on performance in the context of the SPP cycle DG GROW should adopt a procedure for the measurement and monitoring of all result indicators included in the ***Strategic*** ***Plan*** and ***Programme*** Statements. In addition, the DG should document, for each result indicator, key information such as the data source, calculation method, person responsible for the calculation and the monitoring of the indicator and the periodicity for the reporting. Furthermore, the DG should perform and document consistency checks among the indicators included in the Management ***Plan***, Annual Activity Report and ***Programme*** Statement. 6.4 Audit on financial management and IT procurement in DG TAXUD Audit objectives and scope The overall objective of this audit was to assess the adequacy of the design and the effective implementation of DG TAXUD's internal control systems as regards its IT procurement, contract and financial management processes as well as the effectiveness and efficiency of the related financial circuits. The scope included the 2015 and 2016 IT procurement procedures, framework contracts, specific contracts and requests for actions as well as the related financial transactions performed. There are no observations or reservations in DG TAXUD's 2015 Annual Activity Report related to the audited processes. The fieldwork was finalised on 28 October 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 79 6.5 Audit on ethics in DG TRADE Audit objectives and scope The overall objective of the audit engagement was to address the following key question: Has DG TRADE adequately designed and effectively implemented an ethics framework in compliance with the applicable values and rules to ensure that it serves the EU interest, complies with ethics standards and ensures that its staff behave ethically? The audit covered in particular: • The overall control environment for ethics in DG TRADE (risk management, roles and responsibilities, compliance with Commission's rules and guidance, provision of specific guidance, support, training and awareness raising actions, reporting); • The compliance of DG TRADE's activities and its staff behaviour with ethics rules and standards. The audit did not cover the handling of sensitive information as it was included in the 2013 audit of the former IAC on document management and in the IAS 2015 audit on the efficiency of the Trade Defence Instruments. In addition, the security and confidentiality of information related to trade negotiations is part of the scope of the ongoing IAS audit on the administrative processes supporting trade policy negotiations and implementation. There are no observations or reservations in DG TRADE's 2015 Annual Activity Report related to the audited process. The fieldwork was finalised on 15 September 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 7. GENERAL SERVICES 7.1 Audit on management of procurement under DG ESTAT's operational budget Audit objectives and scope The overall objective of the audit was to assess the adequacy of the design and the effective implementation of DG ESTAT's internal control systems for the management of the procurement process and the effectiveness and efficiency of the related financial circuits. In particular, it reviewed whether the internal control system provides reasonable assurance regarding the: 80 • Compliance with the Financial Regulation, Rules of Application and specific legislation; • Prevention, detection and correction of errors, irregularities and fraud; • Effectiveness and efficiency of the procurement process and the need to simplify the internal administrative rules and procedures; • Reliability of reporting and monitoring; • Safeguarding of assets. This audit covered the key controls concerning: • The procurement process, from the determination of the needs and ***planning*** to the effective implementation of the contract, and; • The financial circuits for procurement, including commitments, payments, de-commitments and recovery orders. The audit covered procurement procedures launched and financial transactions performed during 2015 and up to 31 July 2016. There are no observations or reservations in DG ESTAT's 2015 Annual Activity Report related to the audited processes. The fieldwork was finalised on 14 November 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS did not identify any material risks that would give rise to critical or very important recommendations. 7.2 Audit on procurement and grants in OLAF Audit objectives and scope The audit assessed the adequacy of OLAF's management of grants, procurement and the related financial transactions. In particular, it reviewed the design and implementation of the controls in place to assess whether they ensure the legality and regularity of the financial procedures and transactions and whether they are effective and efficient. The audit covered the controls carried out on procurement and grants procedures completed in 2015 and on the financial transactions executed in 2015. The audit did not cover procurement procedures under the budget line of the Supervisory Committee of OLAF, which is subject to a separate audit in 2016. There are no observations or reservations in OLAF’s 2015 Annual Activity Report that relate to the audited process. The fieldwork was finalised on 23 May 2016. All observations and recommendations relate to the situation as of that date. Major audit findings 81 The IAS did not identify any material risks that would give rise to critical or very important recommendations. 7.3 Audit on the governance, ***planning***, monitoring and implementation of the budget line of the OLAF Supervisory Committee This audit has been classified as EU restricted and as such was disseminated to the interested parties in paper form only. 7.4 Audit on the charge-back process in PMO Audit objectives and scope The overall objective of the audit was to assess the effectiveness and efficiency of the design and implementation of the charge-back process in place in PMO for the services provided to the Commission's internal and external clients (e.g other EU Institutions, Agencies and Bodies) and its compliance with the fundamental principles laid down in the corporate guidance. The audit scope covered the roles and responsibilities of PMO related to the charge-back process for the services provided to the Commission's internal and external clients. It included all types of services provided by the Office that are subject to the charge-back of costs and the mechanisms used for charging-back costs to clients (i.e recovery orders and delegations for specific budget lines). There are no observations/reservations in PMO's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 29 November 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Service Level Agreements PMO has not yet updated all the Service Level Agreements (SLA) with its clients signed before 2014, even though some of these date back some ten years and no longer reflect the actual workload and costs incurred by PMO. Consequently, some clients pay more and others less than the actual cost incurred by PMO. Moreover, the cost of certain services provided to EU Institutions and other EU Bodies is not calculated by using the new cost methodology, resulting in clients being charged different prices for similar services. Furthermore, PMO does not have a dedicated section on its website, or other readily available information that would allow (potential new) clients to understand precisely what services can be provided (its catalogue of services) and at what price. In addition, other elements which make up the charge-back mechanism, such as the grouping of 82 services into categories, the methodology and criteria used to calculate and to revise prices are not communicated to its clients. Finally, although certain SLAs include provisions on the evaluation of the PMO services, so far PMO has not monitored all and not reported on any of the Key Performance Indicators as stipulated in the SLAs to its clients. In other cases, no such provisions are included in the SLAs. • Cost methodology The IAS found that PMO's current cost methodology is likely to have overestimated the cost of the services provided, as its overhead cost was accounted for twice in the calculation for the basic services offered for one year. In addition, the SLAs with the Agencies, as revised in 2015, include a clause granting a discount and this progressively decreases over a period of ten years. However, this discount is not related to any analysis of the associated workload of PMO. Finally, at present, PMO's cost methodology for charging back the cost of its services is not documented in a comprehensive manner. Moreover, the knowledge regarding the actual application of the cost methodology is currently limited to a few members of staff following the departure of some key staff involved in the cost calculation. Recommendations To address these issues, the IAS formulated the following recommendations: • Service Level Agreements PMO should initiate a revision of the SLAs signed with internal and external clients, which do not comply with the corporate guidelines on charge-back due to be finalised soon and, in particular, with the new cost methodology. Particular attention should be paid to those SLAs that no longer reflect the real costs incurred by the Office for the provision of the respective services; • Cost methodology PMO should make available to (potential) clients its catalogue of services, together with information on how the charged-back mechanism is applied and the details of the costing methodology used; it should incorporate in its SLAs harmonised provisions on monitoring and reporting to clients on the quantity and quality of the services provided (e.g by means of relevant Key Performance Indicators with targets). 8. IT audits 8.1 Audit on effectiveness of measures to handle manual ***interventions*** in ABAC Audit objectives and scope The overall objective of the audit was to provide re-assurance on the controls over Manual ***Interventions*** (MIs), specifically by reviewing and assessing the effectiveness of DG Budget's processes and procedures in the management of MIs in ABAC Accounting (ABAC-ACC) and ABAC Workflow (ABAC-WF). This audit aimed to 83 complement the previous work of the European Court of Auditors by testing the implementation of the new procedure for MIs and performing a more detailed substantive transaction testing. The audit focused on the following aspects: • The ABAC-ACC and ABAC-WF systems. These are the two main central financial information systems dealing with and consolidating information on payments, commitments, recovery orders, invoices, etc. and therefore carry a higher risk related to MIs; • The process for requesting and approving privileged user accounts with the necessary authorisations to perform MIs; • The process for requesting, performing and documenting MIs in production systems; • The process for reviewing the actual usage of privileged user accounts; • The process for detecting and analysing recurrent MIs and for the identification of measures aimed at reducing their frequency. The analysis of MIs was limited to DG Budget even though other DGs, such as DG ECFIN, also have user accounts that perform MIs in ABAC-ACC. This audit scope was limited because the main control mechanisms within the scope of this audit (privileged user creation, monitoring of MIs modifying DG Budget data) are applicable to all users. There are no observations/reservations in the 2014 Annual Activity Report of DG Budget that relate to the area/process audited. The fieldwork was finalised on 3 February 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • Extensive use of the Manual ***Intervention*** procedures MIs are extensively used to perform activities which could be performed according to more appropriate and safe arrangements, such as standard change management procedures. In some cases, the need for MIs could be avoided completely as the associated activities can be performed by users with much lower privilege rights such as a normal business user and not a privileged IT user. Furthermore, DG BUDG has ***produced*** 4 bi-annual reports on the use of MIs since 2014, and while there were recommendations formulated in the reports, no formal action ***plans*** have been drawn up to address any issues identified. • Too few controls over privileged user accounts User accounts used to perform MIs have extensive privileges, in some cases beyond the best practices recommended by the vendor of the software. Moreover, certain high privileged user accounts are not linked to a single individual, which reduces traceability and accountability. In addition, there is no systematic and regular review of privileged user accounts, together with their access rights and insufficient resources are available for reviewing and controlling the MIs performed. 84 Recommendations To address these issues, the IAS formulated the following recommendations: DG Budget should reduce the use of MIs to perform changes in the production environment of the central financial IT systems by identifying activities that only require limited privileges for their execution and by performing them with less privileged users as well as by implementing specific IT developments to avoid the need for MIs. In addition, the number of privileged accounts should be reduced to a strict minimum and their accountability and traceability enhanced. Moreover, the DG should identify activities to be performed by business users and implement the functionalities which would allow them to be performed directly, rather than having IT teams executing tasks on their behalf. This would improve the inherent security of the operations, facilitate the execution of detective controls and, ultimately would result in a more cost effective use of IT and user support resources. 8.2 Audit on management of EESSI project in DG EMPL Audit objectives and scope The overall objective of the audit was to review and assess the adequacy of the design and the effectiveness of the implementation of the internal controls put in place by DG EMPL for managing the Electronic Exchange of Social Security Information (EESSI) project, with a specific focus on its execution phase. The audit aimed to identify weaknesses in DG EMPL's processes and procedures and recommend any improvements, where appropriate. The audit focussed on the following aspects: • The Project ***Plan***, including past performance for the achieved phases and future estimates for the remaining phases; • The adequacy of the project management artefacts, developed according to the PM2 methodology; • The definition of the functional and technical specifications; • The process to implement, test and validate the implementation of the specifications; • The process for involving and receiving the validation of artefacts by DG EMPL and Member States stakeholders; • The accuracy of project reporting. There are no observations/reservations in the Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 31 March 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified three very important issues: 85 • Incomplete and unstructured procedures for final acceptance testing and preparation for production release readiness Currently, there is not yet a detailed and comprehensive agreed list of acceptance criteria for each feature or functionality. The test procedures (objectives, test specifications, ownership, definitions as to what is acceptable/not acceptable by all stakeholders etc.) and the reporting of the results needed for the final project sign-off are still very much at the preliminary stage. The project is now in its final phase and the specifications tasks, roles and responsibilities need to be defined urgently. Furthermore, Member States need to be well-prepared for the transition period, but this is currently not sufficiently monitored by DG EMPL. Similar weaknesses in intermediary testing phases, among other reasons, have already resulted in a delay of 6 months in the project timeline, postponing the final release to June 2017 instead of December 2016. • Insufficient integration of security requirements The necessary security requirements and specifications (such as approved EESSI security policies, standards and guidelines and appropriate business impact assessments), have not been fully built into the project architecture. Similarly, the IT Security ***Plan***, that has to be finalised before production, is still in its very early stage of development. Although this is already part of on-going discussion in the EESSI Security Expert Forum, its finalisation has been ***planned*** for the last phase of the development and it may prove difficult and very expensive (in terms of time and/or skilled resources) to achieve in practice. Additionally, the security tests – needed to validate the actual implementation against the relevant requirements – as well as the IT security acceptance criteria and the strategy for what to do in the event of a failure to meet these criteria have not yet been defined and agreed internally (within the Commission) and/or externally (with Member States). • Gaps in the Project ***Plan*** update and limited reporting The Project ***Plan*** is currently incomplete as it does not define or integrate the transition tasks and ownership required to test and validate the final release by the relevant stakeholders. Neither are there any provisions for monitoring the preparedness of the Member States. In addition, there is no process in place for reporting progress against agreed baselines. This is essential as the project is entering the critical finalisation and validation phases. Given the limited time available to undertake final testing, corrections and validation, this will be particularly challenging in view of the large number of stakeholders involved. In addition, the Total Cost of Ownership (TCO) of the project has not yet been fully estimated. In particular, there is no estimate of all IT investments and costs, internal or external to be incurred by DG EMPL, foreseen for the design, construction and operation phases for the first five years (including development, deployment, maintenance, support, training and infrastructure, hosting and licences). Recommendations To address these issues, the IAS formulated the following recommendations: • Procedures for final acceptance testing and preparation for production release readiness 86 DG EMPL should complete and finalise quickly the necessary elements for the acceptance tasks such as the Deliverables Acceptance Management ***Plan***, the traceability matrix and the transition ***plan***. This should include the testing procedures and acceptance criteria for each solution specification, as well as all requirements and milestones needed by Member States to start the transition period. It is of paramount importance to properly identify ownership, assign responsibilities and set due dates for both internal and external stakeholders responsible for testing and acceptance. • Integration of security requirements DG EMPL should ensure that the architectural specifications are finalised as soon as possible, together with the IT Security ***Plan***. In parallel, DG EMPL should define a timeline with tasks and ownership for security related tests to be performed in the last development and testing phase. It should allocate sufficient time for these tests, including any incremental changes ***planned*** for the final production release. Finally, it should agree with all stakeholders the strategy and approach to take in the event that the security tests are unsuccessful. • Project ***Plan*** update DG EMPL should identify missing tasks in the Project ***Plan*** for all key stakeholders, together with any related inter-dependencies, and update and complete the existing Project ***Plan*** accordingly. Specifically, the transition ***plan*** should be integrated into the overall Project ***Plan***, including tasks, owners and due dates for activities within the transition workstream. DG EMPL should update the baseline project ***plan*** and report updates and deviations for the remaining phases. Finally, it should make a first estimate of the TCO for DG EMPL for the transition period and the first years of solution in full production mode, as recommended by the IT Board instructions for the calculation of the TCO. 8.3 Audit on business continuity management at OP Audit objectives and scope The objective of the audit was to assess the adequacy of the design and the efficiency and effectiveness of the management and control systems put in place by the Publications Office (OP) for its Business Continuity (BC) management. The aim of the audit was to help identify any possible weaknesses in OP's business continuity processes and to recommend improvements where needed. The audit focussed on the following aspects: • Completeness, relevance and consistency of OP's BC management documentation; • Effectiveness and consistency of contracts and service level agreements with non-OP service providers (including DG DIGIT); • Adequacy and effectiveness of OP's defined response ***plan*** to a major disruption; • Maturity of OP's BC awareness culture; • Adequacy and effectiveness of OP's technical arrangements including the testing of correct functioning. 87 The scope of the audit was limited to BC management at the DG/Service level in OP. BC arrangements at corporate level were not in the scope of this audit as they are SG's responsibility. There are no observations/reservations in the 2015 Annual Activity Repot of OP that relate to the area/process audited. The fieldwork was finalised on 20 May 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified three very important issues: • Shortcomings of physical security in the alternate data centre The two data centres mirroring data for critical applications in real-time are a corner stone of OP's BC strategy. However, the actual power density in the alternate data centre has significantly exceeded the levels assumed during the ***planning*** phase for a number of years, a problem which is well known to OP. In addition, the audit identified shortcomings in the physical security of the alternate data centre which increases the risk of a fire. The IAS notes that OP has already initiated an action ***plan*** to address the weaknesses concerning the physical security of the alternate data centre, but stresses the need to ensure that the actions are implemented as soon as possible. • Recovery Time Objectives for urgent applications not met by DG DIGIT Key OP business processes depend very much on services provided by DG DIGIT, which are subject to a formal Service Level Agreement (SLA) and which states the recovery requirements in the event of a disruption. Even though DG DIGIT classifies key systems in OP as critical, the recovery times stated in the current SLA with DG DIGIT are significantly higher than the Recovery Time Objectives (RTO) which OP itself has defined for these very urgent key business processes. Consequently, there are no formal assurances from DG DIGIT that it would be able to meet OP’s recovery requirements in the event of a disruption. • Business Impact Assessment delivering an incomplete picture and misleading results OP's assessment of the relative urgency of a situation may be distorted in so far as its Business Impact Assessment (BIA) wrongly confuses IT security and BC criteria. In addition, the BIA does not provide a central (big picture) overview of the various interdependencies between the various functions and the corresponding impact on services of a disruption to one or more of those functions. Furthermore, the BIA does not sufficiently document the nature and extent to which OP is dependent on external service providers. Recommendations To address these issues, the IAS formulated the following recommendations: • Physical security in the alternate data centre 88 OP should reduce the power density by enhancing the space or increasing the power of the air conditioning system in the alternate data centre. In addition, OP should introduce regular checks by staff to ensure that the fire load is kept to the minimum possible. • Recovery Time Objectives for urgent applications OP should re-assess its BC requirements, taking into account the constraints of its service providers. If a solution cannot be readily found, it should formally include this risk in its risk register and explore the possibility of alternative service providers more in line with its requirements. • BIA delivery OP should revise its BIA by introducing a process-oriented approach and using availability as the sole criterion for the assessment of the urgency of the process concerned. In addition, OP should clearly document all dependencies and the resources needed to recover critical processes. 8.4 IT governance and portfolio management in DG GROW Audit objectives and scope The overall objective of the audit was to assess the adequacy of the design and the effective implementation of the management and control systems put in place by DG GROW for its IT governance, portfolio management and related domains. The aim of the audit was to help identify any weaknesses in DG GROW's processes and procedures to deliver effective and efficient results. The scope of the audit included the review of the following aspects in DG GROW: • IT governance and portfolio management related principles, policies, processes and procedures; • IT service management related principles, policies, processes and procedures; • Resources and capabilities in the domains of business process management, data/information management, enterprise architecture and ***programme*** management; • IT sourcing related principles, policies, processes and procedures; • IT-related skills and competences principles, policies, processes and procedures. There are no observations/reservations in the DG’s 2015 Annual Activity Report that relate to the area/process audited. The fieldwork was finalised on 30 November 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified two very important issues: • IT strategy, IT-related risk management and functioning of the IT Steering Committee 89 Currently, the DG's IT strategy goals and related specific objectives are not linked to appropriate key performance indicators (KPIs) in a way that makes it possible to monitor progress towards their achievement and measure the achieved benefits. In addition, the IT strategy lacks a clear vision as to how the DG's IT environment/landscape is expected to change in response to meeting business needs, going forward. The possible centralisation option, which was discussed in a recent meeting of the IT Steering Committee (ITSC), was not supported by a sound cost-benefits and risk analysis. Furthermore, there is no overall IT risk management framework to ensure that IT-related business risks at all levels (***strategic***, project or ***programme*** and operational) are properly identified and assessed, together with the establishment and implementation of appropriate action ***plans***. Finally, although the results of the ITSC meetings are made available, there have been no concerted efforts aimed at informing the Directors who are currently not members of the ITSC of the wider aspects and implications of the issues discussed. • IT portfolio and ***programme*** management For new projects at the inception phase, the DG's standard assessment methodology does not cover costs and benefits. In addition, although DG GROW is currently in the process of undertaking numerous IT-related or IT-enabled business initiatives, it has not put in place a formalised IT ***programme*** management approach. Moreover, there is no multi-annual roadmap, which links the initiatives/actions mentioned in its IT strategy to the expected deliverables, the resource effort and costs involved, milestones and any inter-related dependencies. Recommendations To address these issues, the IAS formulated the following recommendations: • IT strategy, IT-related risk management and functioning of the ITSC DG GROW should improve its IT strategy, more specifically by linking its objectives to appropriate KPIs and strengthening its cost-benefits-risk analysis to support the choice of the preferred option for 'The future IT Delivery Model of DG GROW'. In addition, it should approve an action ***plan*** to deliver the preferred option of the future IT Delivery model, taking due account of the need to align business and IT. Moreover, DG GROW should adopt a comprehensive IT risk management framework that includes managing risks at the ***strategic***, ***programme*** or project and operational level and develop an IT risk register. In addition, it should strengthen the way in which it involves and communicates key IT developments to the Directors who are not members of the ITSC. • IT portfolio and ***programme*** management DG GROW should ensure that a formalised approach is in place to support IT-related or IT-enabled business initiatives by a comprehensive (covering cost, benefits and risks) assessment of their value, both at an early stage, at the project inception, and monitored throughout their lifecycle. Moreover, DG GROW should adopt a ***programme*** management approach for IT-related and IT-enabled initiatives and devise a multiannual roadmap linking the actions with deliverables, corresponding allocated 90 resources, costs and milestones, and ongoing business initiatives and dependencies on other ***strategic*** actions. 8.5 Audit on IT security in JRC ICT systems Audit objectives and scope The overall objective of the audit was to assess the adequacy of the design and the effectiveness of the implementation of the internal controls put in place by DG JRC for protecting electronic information and assets, and regarding connectivity between JRC premises and the wider European Commission information network and systems. The audit focused on the following aspects: • IT Security governance procedures to evaluate, design and monitor the IT security framework in the JRC. This included assessing the effectiveness of the decision making process among the different stakeholders and the regular execution of awareness campaigns; • Security operations as regards applications, operating systems and network security devices. This included reviewing the controls currently executed by the Local Information Security Officer (LISO) and the connectivity to the Commission networks; • Process to request, grant and provide privileged user accounts; • Process to request, perform and document changes in the security parameters; • Detection, communication and analysis of IT security incidents and identification of improvements in systems and processes to reduce the frequency. Specific nuclear IT systems were not included in the scope of the current audit. These are subject to specific German and Italian regulations and under strict supervision by the authorities. There are no observations/reservations in DG JRC's 2015 Annual Activity Report that relate to the area/process audited. The fieldwork took place at the JRC sites of Ispra, Seville and Karlsruhe and it was finalised on 28 November 2016. All observations and recommendations relate to the situation as of that date. Major audit findings The IAS identified four very important issues: • Management oversight of IT security Currently, a number of key activities are not assigned to defined owners and are performed on an ad-hoc only basis and/or in an uncoordinated way. These include the evaluation of security needs and requirements, prioritisation of tasks and monitoring of according actions. In addition, there is no proven mechanism for ensuring that IT security related needs are properly heard and discussed at the appropriate level and by the right stakeholders. Furthermore, there are no clear corporate objectives for the JRC in terms of IT security or related Key Performance Indicators (KPIs) to measure the 91 performance of IT security actions and controls at management level. Finally, mission statements for the different IT security stakeholders including the split of responsibility for operational tasks, monitoring and risk management are not formally defined and communicated. • IT security considerations built into the design of new IT systems and into the maintenance of existing systems Although the definition of security requirements is recommended at early stages of every IT project, both by Commission Decision C(2006)3602 concerning the security of information systems used by the European Commission and the PM2 methodology, this is currently not done in JRC. Security requirements are not systematically included in the project definitions or system change lifecycle. The existing procedures do not provide for security requirements to be defined upfront in a new project or for maintenance changes to include an impact analysis for IT security. What happens in practice currently depends very much on the developer or administrator of the system and is done on an ad-hoc basis, rather than as a result of a ***planned*** approach. • Deployment of security reference configurations and monitoring of new vulnerabilities Reviews of actual vulnerabilities (scans) are useful as they can detect and prioritise weaknesses. However, currently IT security reviews of existing systems are only performed on a regular basis for some of the systems in DG JRC. As of today, among the audited JRC sites only the site in Seville is performing regular vulnerability assessments, while for the remaining sites, only the detection of vendor published corrections (patches) is made on a regular basis and even then, only for a subset of corporate systems. In addition, there are no regular reviews performed of current security settings and privilege access to systems, etc. to detect possible unauthorised changes. • Inventory of JRC IT systems and their security dependencies The inventories of systems and software connected to the JRC networks are fragmented and maintained by different groups, depending on the area of responsibility. The JRC lacks a complete overview of all the systems in terms of security risks. In addition, because many scientists stay for periods of only three to five years, system owners are not always timely updated in the registries, with the result that certain systems do not have a valid system owner. Recommendations • Management oversight of IT security DG JRC should set up an IT security steering committee with members representing all relevant stakeholders (JRC management, Scientific Units, Support Units, LISO and ICT Architecture). The DG should also establish a set of objectives and measuring criteria (KPIs) for the IT security domain, based on a clear definition of the mission statements for the different teams involved in IT Security, with a clear split of scope and responsibilities. • IT security considerations built into the design of new IT systems and into the maintenance of existing systems 92 DG JRC should define a JRC-wide standard by enforcing new developments and relevant system changes to undergo a security analysis in the early phases of their development. In particular, management should enforce mechanisms that facilitate integrating security practices while coding. Once in production, DG JRC needs to include a set of criteria to identify the most relevant systems and establish a policy to perform regular security reviews on them. Lastly, the JRC should leverage its central IT teams and IT security experts in the organisation when creating, deploying or changing new IT systems for scientific projects, to re-use existing security good practices and align with known secure configurations and software development guidelines. • Deployment of security reference configurations and monitoring of new vulnerabilities DG JRC should establish an automated procedure to identify current versions and patches in the whole organisation and, depending on the constraints of each machine for their operational use, enforce automated updates or isolation of appropriate areas of the network. DG JRC should generalise the use of automated vulnerability discovery tools to report on current known vulnerabilities and possible course of action, depending on the scientific activity and constraints. Ideally, the JRC should seek to leverage internal existing expertise in virtualised environments for scientific use or in reference configurations for the different types of needs in the scientific domains. As a minimum, it should instigate an awareness campaign on the recommended settings (to be selected by the scientific team as necessary). Finally, according to the residual risk identified, DG JRC should put in place the necessary compensating controls, for example network segregation, dedicated monitoring, etc., as needed. • Inventory of JRC IT systems and their security dependencies DG JRC should assess the feasibility of integrating all IT systems and devices connected to the JRC networks in an inventory capable of identifying installed software and versions. Once in place, a process should be set up to maintain an up-to-date list of running systems and their owners, adapted to the nature of the work in the JRC and which takes into account the high rotation levels for researchers. To facilitate this, the JRC should leverage and coordinate the existing work observed separately at the audited sites of Ispra, Seville and Karlsruhe as regards the network segregation projects that allow for a better control on vulnerable devices. 93 PART 2: FOLLOW-UP ENGAGEMENTS (SUMMARISED) 1. Follow-up audit on the design of DG AGRI's management and control system for greening Based on the results of our follow-up audits of the accepted recommendations, we assess that: • Recommendation N° 2 on Assessment of the notifications of equivalent practices (rated very important), Sub-recommendations N° 1.1 on Correcting of the ISAMM template for EFA notification (rated important), N° 1.4 on Cross checks between ISAMM forms (rated important), N° 5.2 on Providing Member States with records of Expert Group meetings (rated important) and recommendation N° 6 on Improving and clarifying the greening requirements (rated very important) have been appropriately implemented and can be closed; • The following (sub-)recommendations have not yet been fully implemented and cannot be closed: o Sub-recommendation N° 1.2 on Compatibility of the Good ***agricultural*** and environmental condition (GAEC) notifications with the notifications of greening choices for Ecological Focus Areas (EFAs) and equivalent practices (rated important): the IAS considers that the current set of procedure does not ensure the check of the compatibility of GAEC notifications with EFA notifications. This check should either be performed as part of the GAEC assessment or as part of a second check of the EFAs once GAEC notifications are available, and the relevant procedure should be updated accordingly; o Sub-recommendations N° 1.3 and 1.5 on Enhancing reporting functionalities in ISAMM and exploring possibilities of cross-validation in ISAMM and automated interface with GAEC database (rated important): work on the enhancement of the reporting functionalities in ISAMM is still ongoing; o Recommendation N° 3 on the Assessment of greening notifications that are not related to equivalent practices (rated important) is assessed as partially implemented as the procedures for the assessment of forest exemption notifications (sub-recommendation 3.1), as well for the monitoring of permanent grassland ratios (sub-recommendation 3.2), still remain to be drafted; o Recommendation N°4 on Risk of double-funding between greening measures and rural development ***programmes*** with regard to agroforestry and afforested areas (rated very important): the sub-measure fiches for 'afforested areas and woodlands' and 'establishment of agro-forestry systems' as well as the explanatory document on how to avoid double funding have been modified and uploaded on CircaBC for information to the Member States. However, the IAS considers that these updated guidelines are confusing and do not provide practical details and/or examples on how to exclude double-funding in the specific cases of agro-forestry and afforested 94 areas selected as EFAs under the greening payment. The IAS, nevertheless, acknowledges that given the low take-up of agroforestry and afforested areas as EFAs, observed after the first year of implementation of the greening payment, the risk of double funding appears to be limited. The rating of the recommendation is therefore downgraded from very important to important; o Sub-recommendation N° 5.1 on Establishing a written procedure for replies to Member States, bilateral meetings with and missions to Member States (rated important): the procedure remains to be drafted. 2. Follow-up audit on payments suspensions and interruptions in the 2014-2020 CAP framework Based on the results of our follow-up audit, we assess that: • Recommendations N° 1 on the Legal basis (rated very important) and N° 4 on the Suspension Board (rated important) have been adequately implemented and will be closed; • Recommendation N° 2 on the Internal guidance and procedures (rated very important) has been partially implemented. However, in the light of the overall progress made, the level of risk is assessed as lower and the recommendation has been downgraded to important. The following sub-recommendations remain only partially implemented: o Sub-recommendation N° 2.a on The application of Articles 41(1) and 41(2) of Regulation 1306/2013 as further clarifications are still necessary, notably on the triggering conditions for applying Article 41(2)(b) for the second Pillar of the CAP (hereafter Pillar 2). However, the IAS acknowledges that the envisaged implementation date for this sub-recommendation is 30 June 2017; o Sub-recommendation N° 2.c on the Criteria for proposing interruptions and suspensions/reductions including a de-minimis approach as regards applying the de-minimis approach also for the first Pillar of the CAP. • Recommendation N° 3 on the Application of guidance and procedures (rated very important) has been partially implemented. The following sub-recommendations have been only partially implemented: o Sub-recommendation N° 3.a on Applying the 'stop-the-clock' instructions in practice and compliance with the 45 days payment deadline, for which the IAS acknowledges that the instructions have been adapted but nonetheless needs a reasonable number of cases to have occurred to be able to judge whether the instructions have been effectively applied or not; o Sub-recommendation N° 3.b on Clarifying the criteria for requesting action ***plans*** in the context of Article 41(2) as regards Pillar 2 and the link to corrective action ***plans*** following the reservations in the Annual Activity Report, where further clarifications are still necessary; o Sub-recommendation N° 3.c on Ensuring a more consistent approach to letters requesting action ***plans*** since the drafting of the letters is still under discussion; 95 o Sub-recommendation N° 3.d on Minimising the time for the overall process from requesting an action ***plan*** to the Member States to taking the final suspension decision, on which work has been done but requires additional clarifications/consistency checks; o Sub-recommendation N° 3.e on Putting more emphasis on ensuring the timeliness of the interruptions, suspensions and reductions procedures as some decisions have been taken and work is in progress, but the IAS will need to check how DG AGRI is applying this concretely during a second follow-up audit; o Sub-recommendation N° 3.f on Evaluating whether or not the approach has been effective in achieving the objectives set in the discharge procedure remains open as the deadline for implementation is at the end of 2018. 3. Follow-up audit on the management of the approval process of the 2014-2020 Rural Development ***Programmes*** (RDPs) Based on the results of our follow-up audits of the accepted recommendations, we assess that: • Sub-recommendations N° 1.1 on Adjusting the process on the basis of the experience gained (rated very important), N° 1.2 on ***Planning*** and monitoring of the approval process in RDIS2 (rated very important), N° 1.3 on Workload analysis and task allocation optimisation (rated very important), N° 2.1 on Updating the master checklist with checks related to financial aspects (rated 'Important'), N° 2.2 on Completeness of information on transitional arrangements for RDPs to be approved (rated important), N° 2.3 on Documenting the RDP approval process (rated important), N° 2.4 on Identifying and following up outstanding points on adopted RDPs (rated important), N° 3.2 on Coordinating the follow-up of Ex-Ante conditionalities action ***plans*** with other ESIF DGs (rated very important), N° 3.3 on Providing support to the Member States on performance framework and indicators (rated very important), N° 3.4 on Back-up for experts on indicators (rated very important), N° 4.1 on Improving the structure of SharePoint collaborative platform (rated important), N° 4.2 on Sharing technical clarifications with Member States (rated important), N° 4.3 on Mapping the expertise gained during the approval phase (rated important) and N° 4.4 on Expanding the role of the Consistency Board to amendment process (rated important) have been appropriately implemented and will be closed; • Sub-recommendation N° 2.5 on Correcting inconsistencies between RDPs and Partnership Agreements (rated important) has been partially implemented. However, the residual risk has been assessed as low; • Sub-recommendation N° 3.1 on Appropriate assessment of ExAnte Conditionalities (ExACs) (rated very important) is considered obsolete and the remaining residual risk lies with the monitoring of the implementation of the ***programmes***, including ExACs. In addition, an IAS audit on the monitoring of RDPs is included in the IAS draft ***Plan*** for 2017; • Recommendation N° 5 remains open for the following reasons: Sub-recommendation N° 5.1 on Providing clear guidance to Member States and 96 identifying legal inconsistencies (rated very important) has been partially implemented. However, the residual risk has been assessed as low. For sub- recommendation N° 5.2 on Monitoring the implementation of RDPs to prevent double funding (rated very important) three of the four ***planned*** actions have been completed. The outstanding action concerns double funding in relation to the carry-over of agro-environmental commitments signed before 2012. For sub-recommendation N° 5.3 on Reviewing overlap in coverage of the two pillars of the CAP in the long term (rated very important), the actions are on-going as part of the work paving the way for the adoption of a Communication on the modernisation and simplification of the CAP in the second part of 2017, as indicated in the Commission work ***Programme*** for 2017. While sub-recommendation N° 5.1 is considered partially implemented but the related residual risk is now assessed as low, sub-recommendations N° 5.2 and 5.3 remain open. However, as significant progress has been made in mitigating the related risks, the IAS downgrades the rating of recommendation N° 5 from very important to important. 4. Follow-up audit on gap analysis of new legislation/design of 2014-2020 ***programming*** period of European Structural and Investment Funds Phase 2 in DG MARE Based on the results of our follow-up audit, we assess that recommendations N° 2: OP negotiation and adoption process (rated very important) and N° 3 Results orientation and performance framework have been adequately and effectively implemented and will be closed. 5. Follow-up audit of IAC recommendations in DG SANTE Follow-up of IAC audit on the management of funds in DG SANTE veterinary ***programmes*** Based on the results of our follow-up audit, we assess that recommendation N° 1 on the Financial forecast for ***program***'s adoption (rated very important) and recommendation N°2 on the Reallocation exercise (rated very important) have been partially implemented. In the light of the overall progress made, the level of risk is assessed as lower and the recommendations have been downgraded to important. The remaining open actions concern sub-recommendations 2.2 and 3.2 on the availability of an audit trail by using the IT system Qlikview. The IAS considers that the IT system needs to be stable and fully used for the allocation and re-allocation exercises to ensure the existence of an audit trail. 6. Follow-up audit of management and supervision of contracts for the outsourced IT services in DG SANTE Based on the results of our follow-up audit, the IAS assessed that recommendations N° 1 on Quality of tender documentation for DG SANCO's own framework contracts (rated very important) and N°4 on Follow-up of memoranda of understanding between 97 DG SANCO and DG DIGIT (rated important) have been adequately and effectively implemented and will be closed. One remaining recommendation N° 2 on DG SANCO's outsourcing strategy (rated important) cannot be considered as implemented. The recommendation required the DG to carry out a cost benefit analysis of the various outsourcing options for IT projects (time and means, quoted time and means, etc.). While DG SANTE provided evidence of a comparative analysis of the insourcing and outsourcing options for the main IT project it is currently managing, the various possibilities for outsourcing have not been assessed yet as this would be too early at this stage of the project. As a consequence, the recommendation will not be closed. 7. Follow-up audit on preparations for use of financial instruments under 2014-2020 in DG EMPL Based on the results of our follow-up audit, we assess that recommendation N° 1 Building financial instruments related capacity (rated very important), has been adequately and effectively implemented. 8. Follow-up audit on preparations for use of financial instruments under 2014-2020 in DG REGIO Based on the results of our follow-up audit, we assess that recommendation N° 2 Building financial instruments related capacity (rated very important) has been adequately and effectively implemented. 9. Follow-up audit on gap analysis of new legislation/design of 2014-2020 ***programming*** period of European Structural and Investment Funds' (ESI Funds) Phase II Based on the results of our follow-up audit, we assess that recommendation N° 2 OP negotiation and adoption process (rated very important), and N° 4 IT systems supporting the management of the 2014-2020 ***programming*** period processes (rated very important) addressed to DG REGIO and DG EMPL have been adequately and effectively implemented, and will be closed. Recommendation No 3 (rated very important) concerns the performance framework and the checks performed by the DGs on the information provided by Member States (MS) in order to ensure consistency and plausibility of milestones and targets. The IAS recommendation aimed at addressing the 'inherent risk of unambitious target setting by the MS' not being sufficiently mitigated by the DGs' checks. As a result of this follow-up, the IAS notes that the first part of the recommendation, relating to the timely request of art.4 information from MS, has been adequately implemented by both DG REGIO and EMPL. The second part of the recommendation which again concerns both DGs and relates to plausibility checks performed on milestones/targets by Desk Officers (DO) of geographical units has not been adequately implemented. The IAS acknowledges that the DGs have developed internal guidance for the DO to assess the plausibility of milestones and targets at the time of 98 operational ***programme*** negotiation and adoption. Furthermore, the observations on the draft operational ***programme*** sent to MS included comments on targets/milestones raised by the DO and the evaluation unit. Nevertheless, the IAS has found that the actual assessment by the DO of the plausibility of targets/milestones at the time of operational ***programme*** negotiation/adoption was generally not documented by either DG. The specific part of the recommendation addressed to DG REGIO on ensuring that 'reviews of operational ***programmes*** performed by the evaluation unit are supported by a clear audit trail', has not been fully implemented. The IAS found that the documentation in WAVE of the evaluation unit's comments on the draft operational ***programmes*** was not complete as a number of comments were made outside of the system and not documented in WAVE. The last part of the recommendation concerns the need for consistency checks on indicators to be further developed by DG EMPL. The IAS notes that this part of the recommendation was adequately implemented after the operational ***programme*** adoption and negotiation process was completed. DG EMPL has put in place the 'EMPL strategy for a performance-based culture for the ESF' which sets out clear objectives for data reliability, and assessment of the consistency and plausibility of reported indicators. Consistent with the action ***plan***, the evaluation unit has developed a template which allows the comparison of targets through a common dimension (e.g cost per participant), and it is used for checking the consistency and plausibility of targets. From the IAS analysis it can be concluded that recommendation N° 3 was overall only partially implemented at the time of operational ***programme*** adoption and negotiation. However, given that all operational ***programmes*** have been adopted, the parts of the recommendation that have been assessed as not implemented are no longer pertinent in the context of operational ***programme*** adoption and the recommendation will be closed. Nevertheless, the IAS will be reviewing whether the related risks have been mitigated for the adoption of operational ***programme*** amendments and the review of annual implementation reports in the context of the following audits: • Audit on amendment of 2014-2020 operational ***programmes*** in DGs REGIO, EMPL, and MARE; • Audit on monitoring the implementation and performance of 2014-2020 operational ***programmes*** by DGs REGIO, EMPL and MARE (scheduled for 2018). 10. Follow-up audit on the governance and supervision of the nuclear decommissioning assistance ***programmes*** in DG ENER Based on the results of our follow-up audit, we assess that recommendations N° 1 on Assessment of ex-ante conditionalities (rated critical) and N° 2 on Control strategy of DG ENER (rated very important) have been adequately and effectively implemented and will be closed. 99 11. Follow-up audit on the supervision of the implementation of CEF in DG ENER Based on the results of our follow-up audit, we assess that sub-recommendation N° 1.3 has been fully implemented while the other sub-recommendations (rated very important) still require further actions to address satisfactorily the issues detected during the audit. In particular: • Sub-recommendation N° 1.1: DG ENER adopted in September 2016 a 'Supervision strategy on PCIs development' which describes the need to develop such a strategy. It states that 'The Fora in which supervision has to take place are the Regional Groups'. However, the strategy does not indicate how and if an agreement on this common supervision strategy has been or will be reached in the Regional Groups. In addition, the document lists five objectives for the supervision strategy and it describes the tools that shall be used for that purpose. However it does not identify key performance indicators for measuring the performance of the supervision activity or the resources necessary to allow DG ENER to reach the objective; • Sub-recommendation N° 1.2: The document describes the differences in the various reports on PCIs implementation which have to be prepared but it does not explain how DG ENER will ensure i) that Regional Groups exploit them efficiently and ii) that issues and recommendations made in the various reports will be systematically followed-up and in a timely manner; • Sub-recommendation N° 1.4: DG ENER has not completed the development of a reliable comprehensive tool to monitor the implementation of the PCIs development. Consequently, the recommendation will not be closed. 12. Follow-up audit on the management and functioning of Euratom safeguards in DG ENER Based on the results of our follow-up audit, we assess that recommendation N° 4 on Operational objectives and performance indicators (rated important) has been adequately and effectively implemented and will be closed. Recommendation N° 1 on Assessment of the Euratom safeguards approach (rated important): DG ENER performed an assessment of the need to update the current Euratom safeguards approach document. However, the IAS found that this assessment did not contain information on the human and financial resources needed by DG ENER to effectively implement the Euratom safeguards tasks, and a time frame for subsequent re-assessments. These two elements will be included in the Commission Communication and Staff Working Document (SWD) on the principles and modalities of the implementation of Euratom safeguard tasks under article 77 of the Euratom treaty. Consequently, the IAS considers that, until the adoption of the proposal for this Communication and SWD, the recommendation is not fully implemented and will not be closed. 100 13. Follow-up audit on procurement management in JRC Based on the results of our follow-up audit, we assess that recommendations N° 1 on the Management of low value procurement (rated very important) and N° 4 on the Ex-post controls (rated important) have been adequately and effectively implemented and will be closed. 14. Follow-up audit on ***strategic*** ***planning*** and ***programming*** / activity based management in JRC Based on the results of our follow-up audit, we assess that: • Recommendation N° 2 on Work ***programme***, project management and management ***plan*** (rated important): The IAS recommended JRC a) to introduce results indicators in the management ***plan*** to measure and then report on the performance in implementing the work ***programme***, and b) to adopt and implement for the JRC work ***programme*** a framework for ***planning***, monitoring and reporting. In this respect, the JRC has introduced in its 2016-2020 ***strategic*** ***plan*** an indicator to measure the delivery rate of the policy deliverables but no indicators have been set to measure the implementation of the ***planned*** projects and the achievement of the objectives. In addition, the work ***programme*** ***planning*** process has been reviewed, but no procedures for monitoring and reporting at the level of project or work package have been implemented yet. Consequently, the recommendation is assessed as 'partially implemented and will not be closed; • Recommendation N° 3 on Governance of the ***strategic*** ***planning*** and ***programming*** cycle (rated important): The IAS invited JRC to ensure a wider involvement of senior and middle management in the preparation of the management ***plan*** and the annual activity report and to reinforce its internal communication ***plan***. JRC adopted in December 2016 an 'internal Communication strategy on key aspects of SPP cycle' which has not yet been implemented. In addition, the updated strategy does not include actions to improve the involvement of or the dialogue with staff and management as input for the preparation of the ***strategic*** ***plan***/management ***plan***/annual activity report. Consequently, the recommendation is not considered implemented and will not be closed; • Recommendation N° 5 on Reporting of the activity based management (rated important): At the time of the audit, the IAS found that the information on the allocation of human resources in the management ***plan*** and in the annual activity report needed to be improved. However the new ***strategic*** ***plan***/management ***plan*** introduced in 2016 does not require disclosing the human resources needed to implement each activity based budgeting activity. Consequently, this recommendation has become obsolete and will be closed. 15. Follow-up audit of IAC recommendations in JRC Follow-up of the IAC audit on security and safety in the JRC Based on the results of our follow-up audit, we assess that recommendations N° 4 on Language of the safety management systems documents (rated important) and N° 12 101 on Infrastructure-related IT tools impacting health and safety (rated important) were adequately and effectively implemented. Concerning the remaining two recommendations, the IAS found that further progress is required to fully mitigate the underlying risks. In particular: • Recommendation N° 14 on Scientific activities out of the JRC sites (rated important): JRC should establish an overall procedure on security and safety needs for scientific activities conducted outside the JRC sites. According to JRC management, 'the full implementation of the action is expected to be finalised by the end of 2016'. • Recommendation N° 19 on Evaluation of radiation risks (rated important): JRC has not yet completed the evaluation of the non-ionising radiation risks at the Ispra Site, under the terms of the Italian law. According to JRC management, 'the full implementation of the action is expected to be finalised by September 2016'. Follow-up of the IAC audit on nuclear decommissioning and waste management ***programme*** – financial aspects - recommendations N° 1, 2, 3 and 5 Based on the results of our follow-up audit, we confirm the JRC's assessment that, at this moment in time, the four recommendations (rated very important) have not yet been fully implemented. We also consider that the actions implemented so far do not substantially mitigate the risks identified in the original audit report, which, consequently, remain at a high level. This needs to be adequately reflected in the 2015 AAR. Finally, the IAS observed that, on the basis of the information gathered during the follow- up engagement, the JRC is unlikely to respect the due date of 2 June 2016 fixed in the action ***plan*** for the completion of the mitigating measures. 2nd Follow-up of the IAC audit on nuclear decommissioning and waste management ***programme*** – financial aspects Based on the results of our follow-up audit, we assess that recommendations N° 2 on An urgent improvement ***plan*** addressing internal causes of procurement delays (rated very important) and N° 4 on Any new ***plans*** proposing investments in nuclear infrastructure, installations or buildings (rated important) have been adequately and effectively implemented while recommendation N° 6 on The future regulatory standard 11510 (rated important) has become obsolete in the meantime. These three recommendations will be closed. For recommendation N° 5 on A mid-term staffing strategy for the Decommissioning ***Programme*** (rated very important), the former IAC highlighted the urgent need to define a mid-term staffing strategy for the Decommissioning ***Programme*** for the Ispra site, to be then extended (as soon as possible) to other nuclear sites. The IAS observed that the staffing strategy has been defined for Ispra, but not yet for the other sites. Therefore, the IAS considers the recommendation as only partially implemented and will reopen it. However, since the most urgent staffing strategy has been defined, the IAS will downgrade the recommendation to important. Follow-up of the IAC audit on management of expert groups by the JRC Based on the results of our follow-up audit, we assess that the four recommendations (all rated important) N° 1 on Framework rules, N° 6 on Reimbursement of experts travel and subsistence expenses, N° 7 on Reimbursement of experts travel and 102 subsistence expenses and N° 8 on Document management have been adequately and effectively implemented and will be closed. Follow-up of the IAC audit on document management in JRC Based on the results of our follow-up audit, we assess that the six recommendations (all rated important) N° 2 on IT tools for document management, N° 3 on The unfiled documents, N° 5 on Filing ***plan*** structure for scientific project, N° 7 on Storing conditions in sites other than Ispra, N° 9 on DMO function and N° 11 on Guidance and training have been adequately and effectively implemented and will be closed. Follow-up of the IAC audit on decommissioning: risk and project management at the Ispra site Based on the results of our follow-up audit, we assess that recommendations N° 1 on The full adaptation of intermediate and low-level documents in line with the Nuclear Decommissioning and Waste Management ***Programme*** (rated important); N° 2 on The compatibility between the operation of the nuclear installations and the development of decommissioning projects (rated important); N° 3 on The minimisation of technological waste (rated important); N° 4 on The identification of the needed legal advice resources and internal legal advice specialised in nuclear law (rated important); N° 5 on The systematic collection and evaluation of ‘lessons learned’ (rated important) and N° 6 on An increased upstream involvement of the JRC Licensing function in all strategy and operational decisions regarding the nuclear decommissioning and waste management ***programme*** (rated very important) have been adequately and effectively implemented and will be closed. However, further progress is required to fully mitigate the underlying risks of the two remaining recommendations: • Recommendation N° 7 (rated very important) on A full strategy for guaranteeing a pool of qualified Project Leaders: this recommendation is assessed as 'partially implemented'. Although the JRC defined the competence profile of the project leaders for decommissioning it has not yet developed a training scheme for them. In addition, the IAS has not found evidence of any formal back-up arrangements for the Project Leaders. This may lead to weaknesses in operational activities and in the monitoring of contractor activities. Therefore, the JRC should define a full strategy for guaranteeing a pool of qualified project leaders on decommissioning, which includes a ***plan*** for their training and back-up; • Recommendation N° 8 (rated important) on Document management requirements: this recommendation is assessed as 'not implemented'. According to the original IAC recommendation, 'the JRC should define and present a proposal for the Italian Safety Authority regarding what essential documents with legal implications should be kept on paper format'. This recommendation was aimed at addressing the finding according to which 'the document management requirements for decommissioning are extremely sophisticated, in term of quantity and quality of the documentation and legal implications; therefore, an electronic document management is necessary'. The IAS has not found any formal opinion of the Italian public administration on this issue that was either requested or received by the JRC. The auditors, observed however, that the relevant public counterpart for this issue may not be the national Safety Authority, as requested by the IAC recommendation. Recently, the JRC has issued a procedure stating that 'the original of documents with legal effect are kept for 5 years at least', but this period has no legal reference to the national law. 103 Moreover, the JRC Unit on decommissioning has only partially followed this procedure. The misalignment between the national law, the JRC procedure and current practices may lead to issues of irregularity and/or to inefficient use of resources for document management. On the basis of the work done, the auditors assess that the finding is still relevant although the original recommendation is not applicable or is obsolete as it stands. For these reasons, the IAS has reformulated the recommendation as follows: 'JRC should obtain legal advice concerning the dematerialisation of the paper form documents on decommissioning, in line with the EU and national requirements on decommissioning. The internal procedure on document management (dematerialisation after 5 years) should be updated to match the legal requirements, and applied'. These two recommendations will not be closed. Follow-up of the IAC audit on intellectual property rights management Based on the results of our follow-up audit, we assess that recommendations N° 3 on Incentives for scientific staff to engage in technology transfer activities (rated very important), No. 4 on The rules governing the innovative project competitions (rated important), N° 5 on Corporate procedure for access to external scientific information resources service (rated very important), N° 6 and 7 on The reporting on activities under administrative arrangements within the EU Commission (rated very important), N° 8 on The term of reference of the license agreement provisions (rated important) and N° 9 on Exclusive licenses under the EU Treaties on European Union and Atomic Energy Community (rated very important) were adequately and effectively implemented. Concerning the remaining very important recommendation N° 2 on The controls to prevent infringement of intellectual property rights, the original audit report recommended to the JRC to include in the publications process a “check on the non-infringement of prior existing copyrights or other intellectual property rights from third parties before final approval for publication is given'. To implement this recommendation, the JRC proposed two actions, notably a) to include in the publications process a self-declaration by the author of the articles concerning the non-infringement of prior existing copyrights, b) to provide a link to the guidelines for copyright for EC staff. The IAS found that, while a link to the guidelines for copyright was provided, the first action was not implemented. According to JRC, this was mainly due to the fact that the self-declaration by the author was considered to have little value. As a result, the high risk identified at the time of the IAC audit has not been mitigated. The IAS invites the JRC to take the appropriate measures to enhance the procedure for the management of the intellectual property rights to avoid possible infringements, by, for instance, replacing the ***planned*** self-declaration of the author of the articles with a more robust check performed by independent officials and/or with an anti-plagiarism-software. Recommendation N° 2 will not be closed. 104 16. Follow-up audit on the supervision of the implementation of CEF in DG MOVE Based on the results of our follow-up audit, we assess that recommendation N° 1 on DG MOVE's Supervision Strategy on Corridors Development (rated very important) has not been fully implemented. In July 2016, DG MOVE adopted the 'Supervision Strategy on Core Network Corridors Development' which i) puts the supervision of the development of the individual Core Network Corridors (CNC) in the wider context of the 'achievement of the Commission's policy goals set out in the 2011 White Paper on Transport Policy'; and ii) covers also the monitoring of the TEN-T legislation's performance in meeting the EU policy objectives. The strategy for the supervision of the individual CNCs' development is mainly set out in chapter '4: Internal processes to assess progress and performance in a coherent manner', which describes the objectives of the supervision as well as the tools/support that DG MOVE will provide. However, the objectives are not timed, specific or quantifiable and there are no key performance indicators that would allow DG MOVE to measure the performance of its supervision activity. There is also no clear indication as to how detected issues will be addressed. Consequently, the recommendation will not be closed. However, in view of the mitigating actions implemented so far, the IAS has decided to downgrade the rating of the recommendation from very important to important. 17. Follow-up audit on the implementation of FP7 control systems (including supervision of external bodies) in DG RTD Based on the results of our follow-up audit, we assess that recommendation N°1 Supervision of the Joint Undertakings (rated very important) has been adequately and effectively implemented and will be closed. 18. Follow-up audit of the set-up of the common support centre for H2020 Based on the results of our follow-up audit, we assess that recommendations N° 1.1 on The decision making process at governance level (rated very important), N° 1.3 on The audit strategy for H2020 (rated important) and N° 3 on Risk management (rated important) have been adequately and effectively implemented and will be closed. Concerning recommendation N° 1.2 on The decision making process at operational level (rated important), the IAS did not observe substantial progress made to mitigate the risk of non-harmonised implementation of audit results and follow up of fraud cases. Consequently the IAS considers the recommendation as not yet implemented and will reopen it. 19. Follow-up audit on EDF grants in DG DEVCO Based on the results of our follow-up audit, we assess that recommendation N° 7 on Ex-post project evaluation (rated important) has been adequately and effectively implemented and will be closed. 105 20. Follow-up audit on Budget Support in DG DEVCO Based on the results of our follow-up audit, we assess that recommendation N° 2 on Human resources for budget support (rated important) has been adequately and effectively implemented and will be closed. 21. Follow-up audit of IAC recommendations in DG ECHO Follow-up of the IAC audit on contribution agreements with UN Bodies and other international organisations Based on the results of our follow-up audit, we assess that recommendations N° 1 on Project monitoring (rated very important), N° 2 on Reporting (rated very important) and N° 5 on Project design and selection (rated important) have been adequately and effectively implemented. The IAS, however, considers recommendation N° 3 on Verifications of UN Agencies and international organisations (rated very important) as partially implemented. Some measures have been implemented so far (corresponding to sub-points 3.1, 3.2, 3.3 and 3.6 of the recommendation). However, DG ECHO has not yet updated the audit manual to take into account the new ECHO audit strategy 2016-2020 and has not yet approved the annual audit ***plan*** for 2016. Consequently, points 3.4 and 3.5 of the recommendation are still open. They will not be closed. Based on the measures implemented so far, the IAS considers that the original risks have been partially mitigated and will downgrade this recommendation to important. 22. Follow-up audit of IAC recommendations in DG NEAR Follow-up of the IAC audit on special approvals and derogations The IAS followed up all 17 recommendations issued by the IAC. As a result: • Recommendations N° 1 (rated very important), N° 2b (rated important), N° 3a (rated important), N° 3b (rated important), N° 3c (rated important), N° 3d (rated important), N° 4 (rated important), N° 5a (rated important), N° 5b (rated important), N° 5c (rated important), N° 5d (rated important), N° 6 (rated very important), N° 7a (rated very important), N° 7b (rated very important), N° 7d (rated very important) have been assessed as implemented; • Recommendation N° 2a on Processing of prior approvals and deviations (rated important) has been assessed as not fully implemented. However, the IAS assessed the underlying risk as low and the recommendation as desirable; consequently, the recommendation will be closed; • Recommendation N° 7c (rated very important) on Exception reporting has been assessed as not implemented. The original audit recommended that Director E (predecessor of the current Director R) should regularly review and analyse the information on exceptions and non-compliances, and if similar cases across the Directorate General are identified, undertake the necessary follow-up measures. While currently an analysis of exceptions and non-compliance events is required to be carried out by each directorate, no analysis at DG level is envisaged. Consequently, 106 recommendation N° 7c will not be closed. Its criticality level remains at very important, as originally rated by the IAC. 23. Follow-up audit on performance audit of National Agencies (DG EAC) Based on the results of our follow-up audit, we assess that recommendation N° 1 on Internal performance (rated very important) has been adequately and effectively implemented and will be closed. Concerning recommendation N° 3 on Performance measure (rated very important), the IAS found that some actions have been implemented. In particular, DG EAC has revised the template for the National Agency Work ***programme*** and updated its assessment procedure of the National Agencies' annual report and annual management declaration to cover the National Agencies' performance against the operational objectives set in their respective work ***programmes***. Pending the implementation of the remaining action on the conduct of the mid-term evaluation of Erasmus+ as required by the legal base (due 30/06/2018), the IAS considers that the underlying original risk has been partially mitigated and will downgrade the recommendation from very important to important. 24. Follow-up audit on preparedness of DG HOME for 2014-2020 legislation in shared management (ISF and AMIF) Based on the results of our follow-up audit, we assess that recommendations N° 1 Overall ***planning*** of activities (i.e roadmap) (rated important) and recommendation N° 3 Designation of responsible authorities (rated very important) have been implemented. 25. Follow-up audit on knowledge management in DG COMP Based on the results of our follow-up audit, we assess that recommendations N° 1 on Contribution from users to COMPWiki (rated important), N° 3 on The search function of COMPWIKI (rated important) and N° 4 on Handover file (rated important) have been adequately and effectively implemented and will be closed. 26. Follow-up audit on the preparedness of the management and control systems for the SME instrument in EASME Based on the results of our follow-up audit, we assess that recommendation N° 2 on Guidance to evaluators and quality of evaluations (rated very important) has been adequately and effectively implemented and will be closed. 107 27. 2nd Follow-up audit on HR management in response to the financial crisis in DG ECFIN Based on the results of our follow-up audit, we assess that recommendation N° 2 on HR annual ***planning*** (rated very important) has been adequately and effectively implemented and will be closed. 28. Follow-up audit on risk management and ***planning*** processes in the new economic governance context in DG ECFIN Based on the results of our follow-up audit, we assess that recommendation N° 1 on Risk management (rated important) has been adequately and effectively implemented and can be closed. Concerning recommendations N° 2 on Management ***plan*** objectives and their alignment with operational ***planning*** and management (rated important) and N° 3 on Performance monitoring and reporting in the AAR (rated important), improvements have been observed in terms of setting objectives and indicators in the Management ***Plan*** and their reporting in the Annual Activity Report. However, the elements related to the ***planning*** and monitoring at the operational level have not yet been fully implemented. As a result, the IAS considers that further actions are deemed necessary to adequately mitigate the underlying risks identified in the original audit. In particular: • Recommendation N° 2: DG ECFIN carried out a pilot exercise by mapping the 2015 Management ***Plan*** with the work ***plans*** of two directorates. This exercise provides a starting point for ensuring a coherent structure and linkage to the operational tasks. However, the mapping between the Management ***Plan*** and the operational ***plans*** has still to be carried out for all the directorates. Additionally, DG ECFIN has to define a standard structure and minimum requirements for the operational ***plans***; • Recommendation N° 3: the reporting on performance against the key objectives in the Management ***Plan*** has been improved in the final 2015 Annual Activity Report. However, there is still no consistent, systematic monitoring of performance at the operational level and no minimum requirements for monitoring beyond the mid-year review of the Management ***Plan*** and the Annual Activity Report, e.g through regular, documented status updates on the directorate ***plans*** in management meetings. 29. Follow-up audit of IAC recommendations in DG ECFIN Follow-up of the IAC audit on DG ECFIN's document management Based on the results of our follow-up audit, we assess that recommendations N° 1 on Strengthen the archiving process and increase awareness (rated important), N° 3 on Improving quality review of document management and defining document management objectives for staff (rated important) and N° 4 on Encouraging the use of E-signatory within DG ECFIN (rated important), have been adequately and effectively implemented and can be closed. 108 Recommendation N° 2 on Public requests to access documents (rated important) is assessed as not implemented. This recommendation required DG ECFIN to: • Establish statistics to assess the performance and compliance with the applicable legislation. However, no indicators have been developed yet; • Ensure a consistent approach and raise awareness to directorates and operational units on handling public requests. The IAS found that a note on the state of play was issued by Unit R4 on 23/06/2015, but since then no other action has been implemented. A training course was recently promoted by R3 (former R4) on how to manage access to document requests. However, out of the entire target population of 725 staff, only two staff members attended this event. No other evidence of raising awareness to directorates and operational units on handling public requests was provided. The IAS will reopen the recommendation. 30. Follow-up audit of IAC recommendations in DG FISMA 2nd Follow-up of IAC audit on effectiveness of HR management to support the financial crisis Based on the results of our follow-up audit, we assess that for recommendation N° 3 on Monitoring and reporting on HRM (rated very important) further improvements are needed to effectively implement the recommendation. The IAS will reopen the recommendation. The IAS recognises the progress made by DG FISMA in measuring several indicators on HR management and reporting them to DG FISMA's senior management. They provide a picture of the staff structure (gender, nationality and category), recruitment (turnover rate and staff profile) and working conditions (sick leave rate, parental leaves, work patterns and use of recuperation). They represent a positive first step towards the implementation of an effective monitoring and reporting system. However, the current indicators mainly focus on outputs and are not complemented with others focusing on results. For example, gender balance in middle management is measured via the percentage of middle management posts held by women but this is not complemented with other indicators to demonstrate the DG's performance in addressing it (which could be measured, for instance, via the participation rate of women in coaching for team leaders). In addition, these indicators are not accompanied by complementary information explaining whether or not indicators highlight possible problems or identifying possible correlation between factors. Finally, the comparison of DG FISMA performance with the Commission's averages is not complemented by a comparison with DG FISMA targets and their evolution over time. These additional analyses would allow DG FISMA senior management to identify potential problems and their causes and to adequately address them. In addition, the IAS considers that DG FISMA should better align the HR monitoring reports with the objectives expressed in its ***Strategic*** ***Plan*** 2016-2020 and Management ***Plan*** 2016 in order to demonstrate the progress made towards their achievement. 109 31. Follow-up audit on the performance of DG GROW's supervision of ESA's implementation of Galileo Based on the results of our follow-up audit, we assess that recommendation N° 3 on DG GROW's Supervision Strategy (rated very important) has been adequately and effectively implemented and will be closed. Concerning recommendation N° 5 on Key Performance Indicators (rated important) to establish reporting by ESA that enables the DG to effectively monitor key elements of ESA's operational activities, the revised delegation agreement contains clearly defined Key Performance Indicators, on which ESA will report quarterly. As the revised delegation agreement has not yet been signed, the recommendation has not been fully implemented. Therefore, the IAS will re-open recommendation N° 5. In view of the actions implemented so far regarding the two open recommendations N° 1 on Implementation of the procurement activities (rated very important) and N° 2 on Cooperation between DG GROW and ESA (rated very important) the IAS considers the related risks to be partially mitigated. Therefore, both recommendations can be downgraded from very important to important. 32. Follow-up audit of IAC recommendations in DG GROW Follow-up of IAC audit on the internal control strategy of GSA over the budget delegated by DG ENTR, focusing on procurement Based on the results of our follow-up audit, we assess that recommendations N° 1 on Manual of procedures (rated very important), N° 2 on Checklists (rated very important), N° 4 on Conflict of interest policy (rated important) and N° 6 on Document management policy (rated important) have been adequately and effectively implemented and will be closed. 33. Follow-up audit on the customs performance measurement system in DG TAXUD Based on the results of our follow-up audit, we assess that recommendation N° 1 on Performance measurement of committees and groups (rated very important) and N° 3 on Customs ***programmes*** evaluations and monitoring (rated important) have been adequately and effectively implemented. According to recommendation N° 2 Performance measurement of DG TAXUD customs activities (rated very important), DG TAXUD should develop its ***planning***, measurement and monitoring processes so that these become an effective tool to manage, supervise and improve operational activities at all levels. In line with the recommendation, DG TAXUD implemented more controllable objectives and results reflecting its most important ***interventions*** and activities and introduced Unit Management ***Plans***. In this context, the DG also strengthened the risk management assessment process by linking it to the priorities defined at unit's level and by organising several specific workshops. Internal communication reporting, monitoring and supervision were also improved. However, one of the sub-actions for this recommendation envisages that the Board of Directors is informed at least twice a 110 year about the results of a defined set of key performance indicators (scoreboard). This has not yet taken place and is ***planned*** to be implemented in autumn 2016. For this reason, the IAS considers that the recommendation is not yet fully implemented. As a consequence, the recommendation will not be closed. However, taking into account the improvements already made, we consider that the risk has been partially mitigated and therefore the recommendation is downgraded from very important to important. 34. Follow-up audit of IAC recommendations in DG TAXUD Follow-up of IAC audit on DG TAXUD's external communication strategy Based on the results of our follow-up audit, we assess that recommendations N° 3 on Unclear definition of roles and responsibilities (rated very important), N° 4 on Internal networking and work coordinators (rated important), N° 5 on Capacity building and trainings on external communication (rated important), N° 6 on External communication strategy (rated important), N° 9 on Risk assessment in unit R3 (rated important), N° 10 on Contractors and contract management (rated important), N° 11 on Europa Website and Social Med (rated very important) and N° 12 on Use of communication tools (other than Europa) (rated important) have been adequately and effectively implemented and can be closed. Recommendations N° 1 on Communication as core business (rated very important) and N° 14 on Monitoring of implementation of the external communication strategy (rated very important) are partly implemented: • Recommendation N° 1 calls for an adequate recognition of the ***strategic*** importance of communication in the taxation and customs area. It is the subject of public presentations to newcomers. HoUs' responsibility in external communication is formalised in most but not all job descriptions. Communication activities are addressed in the Annual Communication ***Plan*** (ACP) for 2015 and the Unit Management ***Plans*** (UMP). However, neither the ACP nor the UMPs are aligned with the recently reviewed and approved Multiannual External Communication Strategy. Moreover, UMPs do not explicitly ***plan*** communication actions as required by the applicable guidelines but rather some specific outputs (e.g publications); • Recommendation N° 14 calls for performance measurement and management of external communication. Although DG TAXUD collects statistics on web site page views, the full implementation of this recommendation is pending the selection of the Key Performance Indicators, the online availability of DG COMM’s tools and benchmarks and the on-going centralisation in DG COMM of some core horizontal communication activities. Considering the actions already taken and the residual risk that DG TAXUD is exposed to, we propose to downgrade the level of significance from very important to important for both recommendations. Recommendations N° 7 on Annual ***planning*** of external communication actions in units responsible for communications and policy units (rated very important) and N° 8 on Incomplete audit trail for budget estimation and allocation (rated important) are assessed as not implemented: • According to Recommendation N° 7, DG TAXUD should establish an ACP in line with the Multiannual External Communication Strategy. The IAS observed that for 2016 only the sectorial communication ***plan*** for the Union Customs Code is 111 available. In addition, as mentioned previously for recommendation N° 1, the 2015 ACP was not aligned with the recently reviewed and approved Multiannual External Communication Strategy and the communication expenditure, due to the substantial modifications to the original budget made throughout the year not preceded or followed by adequate and sufficient justifications; • Recommendation N° 8 recommends DG TAXUD to clearly establish the link between the ACP, the UMPs and the budget lines. However, the IAS did not find clear documented explanations for most of the budget revisions made in 2015. 35. Follow-up audit on financial and procurement management in DG TRADE Based on the results of our follow-up audit, we assess that recommendations N° 2 on Procurement process, needs assessment (rated important) and N° 3 on Reporting on financial data (rated important) have been adequately and effectively implemented and will be closed. Concerning recommendation N° 1 on Procurement procedure, compliance issues (rated very important), for which your service has requested to review the progress, the IAS notes that DG TRADE improved its internal guidance, training and support to streamline and enhance the procurement procedures, but has not yet re-assessed its control model in place to increase the effectiveness (revised deadline: 30 June 2016) and decrease the risk of compliance issues with the applicable legal and administrative provisions. In view of the progress observed, the IAS considers that the original risk has been partially mitigated and consequently has downgraded the criticality of the recommendation from very important to important. 36. Follow-up audit of IAC recommendations in OIB Follow-up of IAC audit on concept and reproduction at the OIB Based on the results of our follow-up audit, we assess that recommendations N° 4 on Volume and production cost – 1 (rated important), N° 5 on Volume and production cost – 2 (rated important), N° 9 on Concept and reproduction-Rationalisation (rated very important), N° 12 on Resources Evolution (rated very important) and N° 13 on Industrial strategy – 1 (rated important) have been adequately and effectively implemented and will be closed. 37. Follow-up audit of IAC recommendations in DG SCIC Follow-up of IAC audit on the technical support provided to meetings and conferences Based on the results of our follow-up audit, we assess that recommendation N° 1 on The definition of a corporate governance framework (rated 'very important') has been adequately and effectively implemented and can be closed. 112 The recent Communication on Synergies and Efficiencies explicitly clarified DG SCIC's mandate with respect to events and meeting room management, including the assignment of the ownership of the corporate process to DG SCIC. The IAS considers that in view of this, the main risks associated with the original IAC recommendation are mitigated. Furthermore, given that DG SCIC's mandate has been extended following the Synergies and Efficiencies review and following discussions with your services, the IAS considers that the four remaining recommendations, together with the related risks, remain valid even though the original audit report was drawn up at a time when DG SCIC's responsibilities were actually more limited. For example, the DG still needs to establish a list of meeting rooms that will be managed by DG SCIC (recommendation N° 2, rated important) and will need to define and validate a service management ***plan*** (recommendation N° 3, rated very important). Furthermore, the use of the IT tool for this process will need to be defined (recommendation N° 4, rated important) and a quality assurance and improvement ***programme*** for the provision of the technical services will need to be developed (recommendation N° 5, rated important). However, we acknowledge that the original action ***plan*** and target dates are now effectively superseded following the review. We therefore invite DG SCIC to draw up a new action ***plan*** addressing the four remaining recommendations and provide us with new target dates. 38. Follow-up audit of IAC recommendations in DG ESTAT Follow-up of IAC audits on statistical processes I – GNI data, sensitive information, statistical process III – ***Agriculture*** statistics and ESTAT's business continuity Based on the results of our follow-up audit, we assess that recommendation N° 1 on The set-up of sensitive information in ESTAT (rated very important) from the audit on sensitive information; recommendations N° 1 on Organisational structure (rated very important), N° 3 on Annual crop statistics production - collection, validation, processing and dissemination (rated very important) and N° 5 on the Compliance monitoring process in Unit E1 (rated important) from the audit on statistical process III – ***Agriculture*** statistics and recommendations N° 1 on Business continuity management governance and setup in ESTAT - Roles and responsibilities (rated important) and N° 2 on Business impact analysis and risk assessment (rated important) from the audit on ESTAT's business continuity have been adequately and effectively implemented. Follow-up of IAC audits on statistical processes I – GNI data, sensitive information, and ESTAT's business continuity Based on the results of our follow-up audit, we assess that recommendation N° 2 on Security of sensitive information in the dissemination chain (rated very important) from the audit on sensitive information and N° 5 on Business continuity management testing from the audit on ESAT's business continuity have been adequately and effectively implemented. Follow-up of IAC audits on statistical process III – ***Agriculture*** statistics and ESTAT's business continuity 113 Based on the results of our follow-up audit, we assess that recommendation N° 3 on Business continuity ***plan*** (rated very important) from the audit on ESAT's business continuity has been adequately and effectively implemented and will be closed. • Recommendations N° 2 on Farm Structure Survey (FSS) statistical production, collection, validation, processing and dissemination (rated very important) and N° 4 on Treatment of confidential data in the ***agricultural*** statistical processes (rated very important) from the audit on statistical process III – ***Agriculture*** statistics are not fully implemented. However, considering the actions already taken and the residual risk that DG ESTAT is exposed to, these recommendations are downgraded from very important to important. • Recommendation N° 2 requires DG ESTAT to improve the quality and the availability of data, and fix several weaknesses related to outdated and incomplete documentation about the production process, methodological aspects and data validation issues. It also recommends revising the structure of FSS data in the dissemination data base, better following up issues about administrative data sources presented in the Standing Committee for ***Agricultural*** Statistics and clarifying the respective roles and responsibilities between DG ESTAT and DG AGRI. Most actions have been implemented in line with the action ***plan***. However, DG ESTAT still needs to improve the structure of FSS data in the dissemination data base. In particular, it should finalise the design of the dissemination tables, prepare them in the ESTAT dissemination database, ***programme*** the table structures into the Eurofarm database and ***produce*** the tables from the raw data; • Recommendation N° 4 calls for securing the hosting of confidential data outside ESTAT’s secure environment, updating the manual on the protection of confidential data, and strengthening the implementation of confidentiality requirements for the encrypted transmission to Member States, the access rights for staff and the filtering processes at the dissemination stage. All actions have been implemented in line with the action ***plan*** except for the part related to the hosting of confidential data and the update of the manual on the protection of confidential data. 39. Follow-up audit on management of local IT in DG AGRI Based on the results of our follow-up audit, we assess that recommendations N° 1 on IT governance (rated very important), N° 2 on IT strategy (rated very important), N° 3 on IT risk management (rated important), on N° 6 on Project management (rated important), N° 8 on Management of firewalls (rated important) and N° 9 on Change management (rated important) have been adequately and effectively implemented and can be closed. Concerning recommendation N° 4 on Performance management (rated important), no performance indicators have been defined yet to cover the aspects of IT service design (service level, capacity, availability), transition (change, release, testing, and configuration management) and operations (incident and problem management). Concerning recommendation N° 10 on Configuration management (rated important), the current configuration management database is limited to the main IT systems and does not include the complete inventory of configuration items, with their attributes, baseline configuration and relationships. 114 Therefore, the IAS concludes that recommendations N° 4 and 10 have not been fully implemented and will not be closed. 40. Follow-up audit on IT governance in DG Budget Based on the results of our follow-up audit, we assess that recommendations N° 1 on IT Governance structure and key roles (rated very important), N° 4 on Performance measurement, monitoring and reporting of IT Activities (rated important) and N° 6 on IT policy and strategy (rated important) have been adequately and effectively implemented and will be closed. Concerning recommendations N°2 on IT organisation (rated very important) and N°3 on Priority setting and ***planning*** of activities (rated very important) we have observed good progress in the implementation of the action ***plan***, but consider that the related risks have not yet been fully mitigated and consequently the recommendations cannot be closed. Nevertheless, the rating for both recommendations is downgraded from very important to important due to the progress made. Concerning recommendation N° 5 on HR Management (rated important), the IAS has not found sufficient results of the actions implemented and therefore concludes that the recommendation cannot be closed. 41. Follow-up audit on management of European Commission Authentication Service - ECAS Based on the results of our follow-up audit, we assess that recommendations N° 1 on Vision and strategy for identity and access management (rated very important), N° 2 on Definition of ECAS security roles and responsibilities (rated important), N° on 5 on ECAS dependency on AD, CED and CUD (rated very important), N° 6 on Involvement of D HR DS in ECAS security management (rated important), N° 7 on Definition of IAM and ECAS services in the service catalogue (rated important) and N° 8 on ***Planning*** of the EXODUS project (rated very important) have been adequately and effectively implemented and will be closed. Concerning recommendation N° 4 on Security requirements for ECAS (rated very important), while observing good progress in the implementation of the action ***plan***, the IAS considers that the related risks are not yet fully mitigated and consequently the recommendation cannot be closed. In addition, as identifying and implementing the missing security measures has not been finalised yet, ECAS is still vulnerable to the high risks identified at the time of the audit. 42. Follow-up audit of IAC IT recommendations in DG DIGIT Follow-up of IAC audit on external staff management Based on our follow-up results, we have assessed that recommendations N° 1 on Harmonise procedure for access request (rated important), N° 2 on Establish a central 115 local point in Brussels (rated very important), N° 7 on Clean and update data in ORIANA (rated very important), N° 8 on Further development of ORIANA (rated important) and N° 11 on Return of access cards (rated important) have been adequately and effectively implemented and can be closed. Concerning the four other recommendations, the IAS considers that not all the ***planned*** actions have been implemented and the related recommendations can therefore not be closed: • Regarding recommendation N° 3 on Harmonised validity of access cards (rated important), the main issue is that DG DIGIT encodes the end date of the framework contracts instead of the specific contracts for external service providers (ESP) in the tool ORIANA. This end date of the framework contract is then reported on the access card and checked by guards to allow entrance to the EC buildings. However, specific contracts are concluded for the acquisition of services for a particular profile, corresponding to one specific individual, for a period (from a few days to a full year) generally shorter than the duration of the framework contracts. The current practice does not respect the instructions provided by the Security Directorate of DG HR and exposes the Commission to the risk that individuals may be allowed to enter the EC buildings despite they are no longer covered by a specific contract; • Regarding recommendations N° 6 on Develop guidelines to address ethical aspects (rated important) and N° 9 on Security awareness kit for external service providers (rated important), the issue is that there is no evidence that units hiring ESPs other than DIGIT.R.1 use the template document called 'Procedure interne à remettre au prestataire', which contains practical information on entry into service, and hand it to ESPs. Furthermore, there is no formal acknowledgment of the document being received by the ESP. • Regarding recommendation N° 10 on Departure forms (rated very important), the main issue is that, in the absence of an automated process, which might not be cost-effective to put in place due to the inherent complexity, DG DIGIT operational units are responsible for ensuring that access and parking cards are returned by the ESPs upon their departure of the ESPs and taking the appropriate measures to collect their access and parking cards. However, figures provided by the Security Directorate of DG HR indicate that about 10% of the access and parking cards are not returned by the ESPs at the time their contract comes to an end. Therefore, the IAS considers that this recommendation is not effectively implemented and will not be closed. Nevertheless, as the operational units deactivate the ESP profile in Oriana and inform the Security Directorate of DG HR via the 'Formulaire de départ d'un prestataire de services' that the access card should be deactivated, we consider the recommendation is partially implemented and thus can be downgraded from very important to important. As a consequence, the IAS will not close recommendations N° 3, 6, 9 and 10. 43. 2nd Follow-up audit on management of local IT in DG ESTAT Based on the results of our follow-up, we assess that recommendations N° 3 on Project performance measurement, reporting and monitoring (rated important) and N° 6 on User accounts management (rated important) have been adequately and effectively implemented and will be closed. 116 The IAS considers that the ***planned*** actions for recommendations N° 4 on Information systems security and N° 5 on Security requirements for managing confidential data (both rated very important), have not been fully implemented. As the other activities mentioned in the action ***plan*** for these two recommendations have been implemented, we consider the risks have been partially mitigated and, thus, both issues can be downgraded from very important to important. • For recommendation N° 4, the main outstanding issue is linked to the IT security ***plans*** not being in line with Implementing Rules of Commission Decision C(2006)3602: o DG ESTAT classified its STANDARD information systems in three categories (Information Transmission, Statistical Applications and Data Management) and proposed to develop one IT security ***plan*** for each category. However, existing security ***plans*** cover only one single system in each category (resp. EBUS, EDIT and IS4STAT). We invite DG ESTAT to revise the scope of each IT security ***plan***, to include all the information systems under each category; An IT security ***plan*** is still missing for the SPECIFIC system EGR. As this system is ***planned*** to be migrated to a new secure environment currently under construction by DG ESTAT and DG DIGIT, we understand that this security ***plan*** will be developed and implemented in parallel with the new environment. • The main outstanding issue for recommendation N° 5 is the following: to replace the process of mounting its secure environment on user workstations, which does not provide an adequate level of security for confidential statistical data, DG ESTAT launched a project to deploy a local IT infrastructure containing DMZ and more secure rules for access to data. When, in 2015, DG ESTAT decided to move its secure environment to the corporate data centre of DG DIGIT, a new infrastructure with 3 DMZs was designed for the storage of sensitive statistical data. Access to data and the application will be through a Windows Terminal Server, which will add a layer of security by preventing data transfer in clear through the corporate network and data storage on user workstation. The pilot for this project is ***planned*** to be finalised in February 2017, before a phased deployment in production for the different applications. 44. 2nd Follow-up audit on management of local IT in DG MARE Based on the results of our follow-up audit, we assess that recommendations N° 1 on IT strategy and IT priorities (rated very important), N° 4 on Change management (rated very important) and 7 on Project management, quality assurance and service management (rated very important) have been adequately and effectively implemented and will be closed. The IAS considers that not all the ***planned*** actions have been implemented for recommendation N° 5 on IT security management (rated important) for the following reasons: 117 • Not all IT systems under DG MARE's responsibility are covered by an IT security ***plan*** duly approved by the Director-General under in accordance with the Implementing Rules of Commission Decision C(2006)3602; • A number of controls defined in the IT security ***plans*** have not yet been implemented; • There is no evidence that compliance of DG MARE's IT with Commission standards is regularly reviewed and reported by the LISO; • Absence of a procedure establishing (as a minimum) a yearly report on IT security incidents to the ITSC or immediate escalation to the senior management; • The document on security in IT project management specifying IT security-oriented deliverables in each project phase has not been approved by the ITSC and there is no evidence that it has been implemented. As a consequence, the IAS will not close recommendation this recommendation. 45. 2nd Follow-up audit on management of local IT in DG TRADE Based on the results of our follow-up audit, we assess that recommendations N° 1 on Role of the IT Steering Committee (rated very important) and N° 2 on Management of IT related risks in DG TRADE (rated very important) have been adequately and effectively implemented and will be closed. 46. Second follow-up to the performance audit on the Anti-fraud Information System (AFIS) by the former Internal Audit Capability at OLAF. Based on the results of our follow-up audit, we assess that recommendations N °5 on System improvements - reporting and ergonomy (rated important), N° 8 on Data integration with other applications (rated important) and N° 12 on AFIS Steering Committee (rated important) have been adequately and effectively implemented and will be closed. Regarding recommendation N° 9 on User account management (rated important), despite the deployment of the recommended tool already in February 2016, its first results, in particular the annual user validation report, will be available in February 2017 only. Therefore, the IAS cannot yet assess if the implemented functionality duly mitigates the identified risks. As a consequence, the IAS will not close this recommendation. List of follow-up audits performed in 2016 for which all recommendations have been closed after the follow-up Based on the results of the follow-up audits performed in 2016, the IAS assessed that all the recommendations that resulted from the audits listed below and that remained open before the follow-up could be closed. Audit Title 118 47. Follow-up audit on Anti-Fraud strategy– Multi DG 48. Follow-up audit on the objectives setting process in the context of the preparation of the management ***plans*** – Multi DG 49. 3rd Follow-up audit on the management and monitoring of staff allocation in DG AGRI 50. Follow-up audit of IAC and IAS recommendations in DG AGRI (IAS audit on control strategy implementation and IAC audits on DG AGRI readiness for the implementation of the enhanced role of certification bodies in the new assurance model and the international dimension of the GI and organic policies) 51. Follow-up audit of IAC recommendations in DG SANTE (IAC audits on external stakeholder consultations in DG SANTE, on costing practices on procurement in selected funding areas in DG SANTE, on the operations of Directorate F and the Food and Veterinary Office, on business continuity and on internal controls standards 5, 6, 7 and 8) 52. Follow-up audit on DGs ENV and CLIMA's externalisation to EASME of the LIFE ***programmes*** 2014-2020 53. Follow –up audit of IAC recommendations in DG ENV/DG CLIMA (DG ENV-CLIMA SIAC audits on IT governance and management in DG ENV and DG CLIMA and on Anti-Fraud strategy in DG ENV and DG CLIMA) 54. Follow-up audit on the Limited review of the calculation and the underlying methodology of the residual error rates for the 2014 reporting year in DG EMPL 55. 2nd Follow-up audit on DG EMPL's performance measurement systems 56. Follow-up audit of IAC recommendations in DG EMPL (IAC audit on performance measurement) 57. 2nd Follow-up audit on DG REGIO's performance measurement systems 58. Follow-up audit of IAC recommendations in DG REGIO (IAC audits on major projects and on readiness assessment - ERDF 2000-2006 closure process) 59. Follow-up audit of IAC recommendations in DG JRC (IAC audits on business continuity, third party liability, portfolio of buildings, asset management and management and sharing of scientific and technical knowledge) 60. Follow-up audit of IAC recommendations in DG RTD (IAC audits on objectives, indicators and monitoring, fusion expenditure, communication, implementation of ex-post audit results, management of the risk sharing finance facility, Desk review on SEP evaluation, contribution to Joint Undertakings, management of project reports and dissemination of research Results (FP7) and the processes related to the closure of FP7 grants. 61. Follow-up audit on the implementation of FP7 control systems in ERCEA 62. Follow-up audit of IAC recommendations in REA (IAC audit on the implementation of ex-post audit findings) 63. Follow-up audit on Implementation of the Anti-Fraud Strategy in REA 64. Follow-up audit on H2020 grant management in DG CONNECT 65. Follow-up audit on the implementation of FP7 control systems in DG CONNECT 66. Follow-up audit of IAS and IAC recommendations in DG CONNECT (IAS audits on the implementation of FP7 control systems and on H2020 119 grant management, IAC audits on impact assessment and on delegated (externalised) research) 67. Follow-up audit on the Limited review of the calculation and the underlying methodology of the residual error rate for the 2015 reporting year in DG MOVE 68. Follow-up audit on the Limited review of the calculation and the underlying methodology of the residual error rate for the 2015 reporting year in DG ENER 69. Follow-up audit of IAC recommendations in INEA (IAC audit on procurement) 70. Follow-up audit on the adequacy and effective implementation of DG ECHO's Anti-Fraud strategy 71. Follow-up audit on the assurance building process in EU Delegations (DG DEVCO) 72. Follow-up audit on ***programme*** estimates financed by EU and EDF budget in DG DEVCO 73. 2nd Follow-up audit on DG ECHO: financial management of humanitarian aid 74. Follow-up audit of IAC recommendations in DG ECHO (IAC audits on the legality and regularity of payments for the year 2012 in DG ECHO and financial management of humanitarian aid) 75. Follow-up audit of IAC recommendations in DG DEVCO (IAC audits on management of DEVCO's resources in EU Delegations, on communication flows between DEVCO's HQ and EU Delegations, on identification and management of recoveries) 76. Follow-up audit of IAC recommendations in FPI (IAC audit on the management of the industrialised countries instrument by FPI HQ and the Tokyo and Washington EU Delegations) 77. Follow-up audit of IAC recommendations in DG NEAR (IAC audits on year-end accounting closure and on cross-border-cooperation) 78. Follow-up audit of IAC recommendations in DG EAC (IAC audit on organisation, processes and procedures of the HR function) 79. Follow-up audit on Limited review of the calculation and the underlying methodology of the residual error rate for 2014 in DG EAC 80. 3rd Follow-up audit of the lifelong learning ***programme*** in EACEA/DG EAC 81. Follow-up audit of IAC recommendations in EACEA (IAC audit on the ERASMUS MUNDUS II ***programme*** and the intra-ACP academic mobility scheme) 120 82. Follow-up audit of IAC recommendations in DG TRADE (IAC audits on document management, ***planning*** and risk management and on enforcement of trade agreements) 83. Follow-up audit of the IAC recommendations in DG COMP (IAC audit n the monitoring of state aid granted) 84. Follow-up audit of IAC recommendations in DG GROW (ex DG MARKT IAC audit of the stakeholders consultation process) 85. 2nd Follow-up audit on DG MARKT's (DG FISMA's) cooperation with the three supervisory bodies on financial services 86. Follow-up audit of IAC recommendations in DG FISMA (IAC audits on the process of managing complaints / infringements in DG MARKT and on DG FISMA's staff learning and development). 87. Follow-up audit of IAC recommendations in DG TAXUD (IAC audit on DG TAXUD's procurement and management of studies and databases) 88. Follow-up audit of IAC recommendations in DG BUDG (IAC audit on the validation of local systems by unit C3) 89. Follow-up audit of IAC recommendations in LS (IAC audit on the management of court cases in the Legal Service) 90. 2nd Follow-up audit on the administrative processes supporting the European semester 91. Follow-up audit of IAC recommendations in DG SCIC (IAC audits on 2013 year-end, financial management and internal control system in DG Interpretation and on the professional support provided to the interpreters) 92. Follow-up audit of IAC recommendations in DG ESTAT (IAC audit on the statistical process I – GNI data) 93. Follow-up audit on outstanding IT recommendations in DG DEVCO 94. Follow-up audit on management and supervision of contracts for the outsourced IT services in the Publications Office 95. Follow-up audit of IAC IT recommendations (IAC audits on the reimbursement of expert's expenses managed by the PMO, information security in DGT, IT project management in ECFIN and business continuity in DG EMPL) 121 PART 3: SUMMARY OF LONG OUTSTANDING RECOMMENDATIONS AS AT 31 JANUARY 2017 No. DG Audit title Recommendation Comments Final report date Original due date Revised due date I DEVCO IAS Audit on management of the African Peace Facility (APF) Design and effectiveness of the remedial/mitigating measures at contract level The IAS carried out a follow up audit in January 2017 which concluded that the recommendation is only partially implemented and will be re-opened. In order to fully implement this recommendation, DG DEVCO has to redesign the TA expert pool contract, which is still ongoing. Expected delay compared to the original target date of 6 months. 21/01/2016 30/06/2016 15/12/2016 (new updated target date to be confirmed by DG DEVCO) II ENER IAS Audit of the supervision of the implementation of Connecting Europe Facility (CEF) in DG ENER and MOVE DG ENER's supervision strategy on Projects of Common Interest (PCIs) development DG ENER adopted in September 2016 a 'Supervision strategy on PCIs development' and declared the recommendation as implemented. In January 2017 the IAS assessed the implemented mitigating measures as insufficient and re-opened the issue. The IAS follow-up will take place as soon as the recommendation is reported as ready for review by DG ENER. Expected delay compared to the original due date of 11 months. 29/01/2016 30/06/2016 31/05/2017 III ESTAT IAC Audit on ESTAT’s Business Continuity Management Disaster Recovery ***Planning*** and IT Business Continuity According to DG ESTAT all but one action points of this recommendation have been addressed. The last remaining action shall be implemented within a few weeks. The IAS follow-up will take place in the course of 2017 as soon as the recommendation is reported as ready for review by DG ESTAT. Expected delay compared to the original due date of 1 year. 16/02/2015 30/06/2016 30/06/2017 IV JRC IAC Audit on Nuclear Decommissioning and Waste Management at the JRC- Financial Aspects Delays in the Nuclear decommissioning and waste management ***programme*** and external uncertainties According to the JRC, 60% of actions stemming from this recommendation have already been implemented. The review of the Strategy for decommissioning and waste management is ongoing and the budget is currently being reviewed for all four nuclear sites. The IAS follow-up will take place as soon as the recommendation is reported as ready for review by the JRC. Expected delay compared to the original due date of 1 year and 1 month. 02/06/2015 02/06/2016 30/06/2017 122 No. DG Audit title Recommendation Comments Final report date Original due date Revised due date V JRC IAC Audit on Nuclear Decommissioning and Waste Management at the JRC- Financial Aspects Relationship with authorities, licensing and insurance The communication strategy for improving the JRC's relationship with Italian authorities and other stakeholders has not been finalised yet although it has been under preparation since October 2015. The IAS also noted that despite efforts made by the JRC to improve the relations with the Italian Authorities and stakeholders, this part of the recommendation is outside the JRC's direct control. The IAS follow-up will take place as soon as the recommendation is reported as ready for review by the JRC. Expected delay compared to the original due date of 1 year and 1 month. 02/06/2015 02/06/2016 30/06/2017 VI NEAR IAC Audit on Special approvals and derogations Exception reporting In order to address this recommendation, all AOSDs were instructed to carry out an analysis of exceptions and non-compliance events per directorate. However, no analysis has been envisaged at the central level. Therefore, the IAS follow-up in December 2016 assessed this recommendation as not implemented. The IAS will follow up this recommendation in the course of 2017, once reported as ready for review by DG NEAR. Expected delay compared to the original due date of 1 year and 4 months. 29/09/2014 31/12/2015 30/04/2017 VII DEVCO IAS Audit on Budget Support in DG DEVCO Policy dialogue framework In order to fully implement this recommendation DG DEVCO has to finalise the revised Budget Support guidelines. This has been postponed until the adoption of the new Consensus for Development (expected in May 2017). The IAS will perform a follow-up audit on this recommendation at the end of 2017. Expected delay compared to the original due date of 1 year and 10 months 11/12/2014 31/12/2015 31/10/2017 VIII DIGIT IAS Audit on Management of logical access to systems (ECAS/LDAP/Windows) Security requirements for ECAS A first IAS follow-up performed in 2016 acknowledged the progress made in identifying the risks, drafting the security ***plan***, prioritising the missing security controls and in the implementation of the action ***plan***. However, the implementation of the missing security measures still has not been finalised. It is ***planned*** to be done by the end of June 2017. The IAS is ***planning*** a second follow-up of this recommendation in the second half of 2017. Expected delay compared to the original due date of 1 year and 9 months. 24/07/2014 30/09/2015 30/06/2017 123 No. DG Audit title Recommendation Comments Final report date Original due date Revised due date (a further delay of 6 months compared to the situation in the previous IAS report to the APC - October 2016) IX FISMA IAS Audit on Effectiveness of HR management to support the financial crisis in DG ECFIN, DG COMP, DG MARKT Monitoring and reporting on HR management The IAS second follow-up audit carried out in September 2016 concluded that some improvements were made to enhance the monitoring and reporting process on the HR management related activities. However, these improvements were not sufficient to close or downgrade the rating of the recommendation. A third IAS follow-up audit is ***planned*** for the second quarter of 2017. Expected delay compared to the original due date of 2 years and 2 months. 20/12/2013 31/12/2014 28/02/2017 X GROW IAC Audit on the Internal Control Strategy of the GSA2 over the budget delegated by DG ENTR Risk management GSA established a list of corporate risks and communicated it to the IAS in January 2017. Based on this risk register, GSA will now develop a risk management action ***plan*** and ***plans*** to follow it up by 31 December 2017. The IAS will follow up this recommendation once reported as ready for review by the DG. Expected delay compared to the original due date of 2 years. (a further delay of 12 months compared to the situation in the previous IAS report to the APC - October 2016) 05/01/2015 31/12/2015 31/12/2017 XI JRC IAC Audit on intellectual property rights management Prior existing intellectual propriety rights in the JRC publications The IAS follow-up carried out in July 2016 concluded that the actions taken by the JRC were not in line with the original action ***plan*** or with the current practices applied by the scientific community. Therefore the JRC still faces the risk that its scientific publications may contain unauthorised intellectual propriety rights by third parties. The JRC made a self-declaration of non-infringement of intellectual propriety rights as an interim measure. An action ***plan*** established after the IAS follow-up still remains to be implemented. The IAS will follow up this recommendation once reported as ready for review by the DG. Expected delay compared to the original due date of 3 years and 11 30/01/2013 30/07/2013 30/06/2017 2 European Global Navigation Satellite System (GNSS) Agency. 124 No. DG Audit title Recommendation Comments Final report date Original due date Revised due date months. (a further delay of 7 months compared to the situation in the previous IAS report to the APC - October 2016) XII JRC IAC Audit on decommissioning: risk and project management at the ISPRA site Full strategy for guaranteeing a pool of qualified Project Leaders According to the IAS follow-up carried out in September 2016, the original action ***plan*** was not fully implemented. Weaknesses still exist in the operational activities and in the monitoring of contractors related to the radioactive materials and assets decommissioning. The JRC accepted the risk until the full implementation of the recommendation and established a back-up procedure for the project leaders on decommissioning as an interim measure. The IAS will follow up this recommendation once reported as ready for review by the DG. Expected delay compared to the original due date of 4 years. 13/06/2012 13/03/2013 31/03/2017 XIII NEAR IAS Audit on Preparedness for IPA II in DG ELARG HR ***planning*** for EU Delegations implementing IPA II According to DG NEAR, the recommendation has been partially implemented. The outstanding actions – preparing a detailed workload assessment methodology and implementation for EU Delegations – will take place until mid-2017. The IAS will review the progress of this recommendation in the course of the current audit on preparedness for the mid-term review of ENI and IPA regulations in DG NEAR. A formal follow-up will take place in 2017 as soon as the recommendation is reported as ready for review by DG NEAR. Expected delay compared to the original due date of 1 year and 6 months. 07/05/2015 31/12/2015 30/06/2017 XIV OIB IAC Audit on Concept and reproduction Local information systems - 1 - Improve the Information Systems In order to fully implement this recommendation OIB needs to resolve certain difficulties in the implementation and complete installation of the new IT system to manage the printing requests. The new IT tool will be deployed in two phase by June 2017. According to OIB, mitigating actions have been taken in the meantime – e.g while the old IT tool is still partially being used, its reliability was improved. Furthermore, the new tool is already used for establishing the offers. The IAS will perform a follow-up in the course of 2017. 11/11/2013 31/12/2015 30/06/2017 XV Local information systems - 2 - Cost information for the client 31/12/2015 30/06/2017 125 No. DG Audit title Recommendation Comments Final report date Original due date Revised due date Expected delay compared to the original due date of 1 year and 6 months (a further delay of 7 months compared to the situation in the previous IAS report to the APC - October 2016) XVI PMO IAC Audit on PMO management of accidents' insurance Reimbursement of accident costs The implementation of the recommendation is dependent on several IT modules (including ASMAL 2 being under development by DIGIT since Dec. 2016), which shall be in place by mid-2017. Some ad hoc measures have been taken in the meantime. The IAS follow-up will be performed once the recommendation has been assessed as implemented by PMO. Expected delay compared to the original due date of 4 years and 6 months. 21/02/2012 31/12/2012 30/06/2017 XVII PMO IAC Audit on PMO contracts related to the management of missions CAF implementation A first follow-up revealed that some actions have been implemented. However, the implementation of the remaining actions relates to an on-going Commission-wide IT development and for which PMO is dependent on DG DIGIT. The IAS will perform a follow up in the course of 2017. Expected delay compared to the original due date of 2 years and 9 months. (a further delay of 6 months compared to the situation in the previous IAS report to the APC - October 2016) 25/10/2012 30/09/2014 30/06/2017 XVIII SCIC IAC Audit on technical support provided to meetings and conferences Management tools A follow-up carried out by the IAS in the summer of 2016 confirmed the validity of the original risks and the recommendation. However, the IAS also acknowledged the significant changes brought about by the Synergies and Efficiency Review and their impact on the original action ***plan*** and the target dates, which had been superseded. Subsequently, DG SCIC prepared a new Action ***Plan*** and the new deadline was set at 31 December 2017. The IAS will follow up this recommendation once reported as ready for review by the DG. Expected delay compared to the original due date of 3 years. 25/06/2013 31/12/2014 31/12/2017

**Load-Date:** November 22, 2017

**End of Document**



[***Register of Commission documents: FT OPINION on the next MFF: Preparing the Parliament’s position on the MFF post-2020 Document date: 2017-09-28 CONT\_PA(2017)606021 Draft opin***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R13-MJ01-F0YC-N2R0-00000-00&context=1516831)

Impact News Service

November 16, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 11968 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN EN EUROPEAN COMMISSION Brussels, 29.9.2017 SWD(2017) 321 final COMMISSION STAFF WORKING DOCUMENT Ex-ante evaluation statement Accompanying the document Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL providing further macro-financial assistance to Georgia {COM(2017) 559 final} 2 Ex-ante evaluation statement EU Macro-Financial Assistance to Georgia TABLE OF CONTENTS 1. PROBLEM ANALYSIS AND NEEDS ASSESSMENT ..................................................................... 3 1.1 Introduction ................................................................................................................. 3 1.2 Georgia’s macroeconomic situation ............................................................................ 4 1.3 Structural reform challenges ........................................................................................ 6 1.4 IMF and other donor support ....................................................................................... 8 1.5 Georgia’s external financing needs ........................................................................... 10 2. OBJECTIVES AND MONITORING INDICATORS OF THE MACRO-FINANCIAL ASSISTANCE ...... 12 2.1 Objectives .................................................................................................................. 12 2.2 Monitoring indicators ................................................................................................ 12 3. DELIVERY MECHANISMS AND RISK ASSESSMENT................................................................ 12 3.1 Delivery mechanisms ................................................................................................ 12 3.2 Risk assessment ......................................................................................................... 14 4. ADDED VALUE OF EU INVOLVEMENT ................................................................................. 15 5. ASSESSMENT OF CRITERIA APPLICABLE TO MACRO-FINANCIAL ASSISTANCE .................... 15 5.1 Exceptional Character and Limited Time-frame ....................................................... 15 5.2 Political preconditions and EU-Georgia relations ..................................................... 16 5.3 Complementarity ....................................................................................................... 16 5.4 Conditionality ............................................................................................................ 16 5.5 Financial discipline .................................................................................................... 17 6. EVALUATION AND COST-EFFECTIVENESS ........................................................................... 17 6.1 Evaluation .................................................................................................................. 17 6.2 Achieving cost-effectiveness ..................................................................................... 18 Annex: Assessment on Georgia’s political reforms prepared by the European External Action Service 3 PROBLEM ANALYSIS AND NEEDS ASSESSMENT 1. 1.1 Introduction Georgia continues to face a weak external environment which, through reduced exports and remittances, has contributed to relatively subdued GDP growth of 2.7% in 2016 (compared to 2.9% in 2015 and 4.6% in 2014). GDP growth is projected to increase gradually to 3.5% in 2017, supported by consumption and investment.

Regional and global growth is also expected to pick up in 2017, but will remain subject to downside risks of geopolitical instability, protectionism and volatility in the financial markets. Georgia’s fiscal deficit remains significant (4.1% of GDP in both 2016 and, as expected by the International Monetary Fund (IMF), in 2017). The public debt-to-GDP ratio has increased from 35.6% in 2014 to 44.6% in 2016, mainly due to the fact that around 80% of public debt is denominated in foreign currency, and the national currency (the Georgian lari, GEL) has depreciated sharply during that period. Moreover, Georgia’s balance-of-payments position remains vulnerable due to a very large current account deficit (12.4% of GDP in 2016) and high external debt (111.8% of GDP in 2016). Georgia’s foreign exchange reserves have been broadly stable in absolute terms since 2011, totalling USD 2.8 billion at end-2016, but reserve needs have been increasing according to the composite IMF metric. Therefore, reserves are currently below the level estimated by the IMF to be adequate.1 Georgia also continues to face the impacts of the ongoing adaptation to the requirements of the Deep and Comprehensive Free Trade Area (DCFTA) with the EU, which, along with opportunities, also entail adjustment costs. In this context, on 12 April 2017 Georgia and the IMF agreed a three-year (2017-2020) extended arrangement under the Extended Fund Facility (EFF). The EFF represents 100% of Georgia’s quota in the Fund (SDR 210.4 million, or about USD 285 million). The aim of the EFF ***programme*** is to support an economic reform ***programme*** which will help Georgia reduce economic vulnerabilities, and promote higher and more inclusive economic growth. The government of Georgia also requested Macro-Financial Assistance (MFA) from the EU in June 2017.2 In light of this request and the economic situation in the country, the Commission is submitting to the European Parliament and the Council a proposal for MFA to Georgia, based on Article 212 of the TFEU. The proposal is for an amount of up to EUR 45 million, of which EUR 35 million are in the form of loans and EUR 10 million in the form of grants. The proposed new MFA operation is the third one after Georgia’s military conflict with Russia in August 2008. In October 2008, the EU pledged two MFA operations of EUR 46 million each at the International Donors’ Conference in Brussels. The first of those operations (EUR 46 million, fully in the form of grants) was implemented in 2009-2010 and the second (again EUR 46 million, half in grants and half loans) in 2015-2017. The last tranche of the 2015-2017 MFA operation was disbursed in May 2017. The proposed new MFA will help Georgia cover part of the residual external financing needs for the period of 2017-2020, which are estimated at USD 752 million (EUR 671 million).3 The operation will reduce the economy’s short-term balance of payments and fiscal vulnerabilities. It will be designed and implemented in coordination with the adjustment and reform ***programmes*** Georgia has agreed with the IMF and the World Bank, as well as with the reforms agreed in the context of the EU’s budget support operations and the DCFTA agreement. 1 As measured by the composite reserve adequacy measure of the IMF. 2 Letter of 16 June 2017 from the acting Finance Minister Giorgi Tabuashvili to Commissioner Moscovici. 3 All conversions in this document are based on a EUR/USD exchange rate of 1.12 4 The disbursement of the assistance is envisaged to take place in two tranches. This could take place in 2018, or possibly in 2019, depending on when the legislative process is concluded; the pace of negotiations and ratification of the Memorandum of Understanding and, thereafter, its implementation; as well as progress made with the IMF ***programme***. The present note first assesses Georgia’s macroeconomic situation and policies as well as key structural reform challenges. It then describes the current IMF ***programme*** (for 2017-2020), as well as other support provided by foreign donors, and assesses Georgia’s external financing needs for the period 2017-2020. Finally, the note presents the main features of the envisaged MFA operation and its consistency with the criteria applicable to MFA operations. 1.2 Georgia’s macroeconomic situation The macroeconomic outlook for Georgia remains vulnerable. The ongoing fiscal consolidation could weaken domestic demand and lower economic growth in Georgia. In addition, the Georgian economy faces broader risks due to an uncertain regional and global economic outlook, external imbalances (notably, a large and still increasing current account deficit and significant external debt) as well international reserves that are below the adequate level. The economic slowdown in the region and the fact that the currencies of major trading partners have depreciated sharply since late 2014 have weighed on Georgia’s exports and remittances. This contributed to a deceleration of economic growth to 2.7% in 2016, from 2.9% in 2015 and 4.6% in 2014. Georgia’s GDP growth in 2016 was mainly driven by investment, while private consumption remained subdued, reflecting the reduction in disposable income induced by the increase in the domestic-currency value of households’ repayment obligations on US dollar-denominated loans in a context of sharp depreciation of the lari. GDP growth is projected to increase gradually, to 3.5% in 2017, supported by consumption and investment, and to 5.0% in 2020 (the end of the recently-agreed arrangement with the IMF).4 The exchange rate (USD/GEL period-average) moved from 1.77 in 2014 to 2.27 in 2016, meaning around 22% depreciation of the Georgian lari. The effects of this volatility are amplified by the still high dollarisation of the Georgian economy, where 70% of deposits and 65% of loans were denominated in US dollars in 2016. Despite this, the banking sector – which is dominated by two institutions controlling around two-thirds of total banking assets – has generally remained resilient, reporting sufficient capital and liquidity. The non-banking sector is growing fast, albeit from a low base. Although the unemployment rate in Georgia (11.8% at end-2016) has been on a downward trend since 2009 (16.9%), it remains an important challenge. While employment opportunities have been created in new growth sectors, especially in tourism and other services, high unemployment persists due to challenges associated with skills mismatch and large regional disparities. Georgia also lacks an unemployment benefit scheme. In terms of the external sector, Georgia’s current account deficit further deteriorated in 2016 to 12.4% of GDP (from 12.0% of GDP in 2015 and 10.6% in 2014) and, as noted, remains a major source of vulnerability. The current account deficit widened in 2014-2016, despite the slowdown in economic growth, as the weakness of exports more than compensated for the weak domestic demand for imports, resulting in a larger trade in goods deficit. The current account deficit is expected to worsen further to 12.9% in 2017, before decreasing modestly to 11% in 2020, according to IMF ***programme*** projections. The very large current account deficit is mainly driven by the trade in goods deficit which is only partly offset by the trade in services surplus and income and transfers from abroad, including remittances. 4 For selected macroeconomic data here and below in the section, please also refer to Table 1. 5 Although the current account deficit has mainly been financed by inflows of foreign direct investment (FDI), the latter is expected to decrease slightly from 11% of GDP in 2016 to 10.3% of GDP in 2017 and remain at a similar level until 2020. Moreover, debt-creating financial inflows have also contributed to the financing of the current account deficit. Hence, Georgia’s external debt, which hovered around 80% of GDP in 2008-2014, has increased significantly in the following years, to 111.8% of GDP at end-2016. The external debt is projected to increase further, to 120.2% in 2020. As most foreign debt is denominated in US dollar, the lari depreciation has played an important role in this increase. The National Bank of Georgia (NBG) has generally refrained from large ***interventions*** in the foreign exchange market and allowed the lari to depreciate. This has allowed gross international reserves to remain stable overall, totalling USD 2.7 billion at end-February 2017 (about 3 months of next year’s imports). The recently-agreed IMF ***programme*** targets a 54% increase in reserves, from USD 2.8 billion at end-2016 to USD 4.2 billion in 2020 (about 4 months of import cover). Table 1: Georgia – Selected macroeconomic indicators, 2015-2020 Sources: IMF and Commission staff estimates, Geostat \* The overall fiscal balance will be further adjusted by 0.4 percentage points to 3.5% of GDP in 2019 and by 0.5 percentage points to 3.1% of GDP in 2020. However, it is not yet clear whether these adjustments will come from the revenue or the expenditure side. Regarding monetary policy, the NBG remains committed to price stability (inflation targeting regime, with a target for headline consumer price inflation of 5% in 2016, 4% in 2017 and 3% from 2018 onwards, and a flexible exchange rate). In order to limit inflation, mainly as a result of the lari depreciation and increases in electricity tariffs, the NBG increased its main policy rate (the refinancing rate) eight times in 2015, up to 8%. In 2016, in line with the economic slowdown and abating inflationary pressures (and even a brief period of falling prices), the NBG gradually reduced the key policy rate to 6.5%. However, in 2017, with an increase in inflationary pressures (mainly due to increases in excise taxes and a pick- 2017201820192020Proj.Proj.Proj.Proj.National AccountsReal GDP growth 2.9 2.7 3.5 4.0 4.5 5.0 Consumer price index, period average 4.0 2.1 5.7 2.4 3.0 3.0 GDP per capita (in USD)3,800 3,800 3,700 4,000 4,300 4,700 Unemployment rate (in per cent) 12.0 11.8 Consolidated government operationsRevenue and grants28.128.629.328.628.528.6Expenses31.932.733.432.432.432.2Overall fiscal balance\*-3.8-4.1-4.1-3.8-3.9-3.6Public debt 41.444.945.546.747.246.9 o/w foreign-currency denominated32.535.535.937.337.837.8External sectorCurrent account balance -12.0-12.4-12.9-12.5-11.5-11.0Gross international reserves, end of period (in billion 2.52.83.13.43.84.2 - In months of next year’s imports of 2.73.03.33.53.74.1Foreign direct investment, net 9.011.010.310.19.910.4Nominal exchange rate (period average, USD/GEL)1.772.272.3720152016(Annual percentage change, unless otherwise indicated)(In per cent of GDP, unless otherwise indicated) 6 up in global commodity prices), the NBG raised the refinancing rate two times: from 6.5% to 6.75% (in January 2017) and to 7% (in May 2017). The period-average inflation (consumer price index, CPI) decelerated to 2.1% in 2016, compared to 4.0% in 2015. CPI is projected to increase to 5.7% in 2017, in line with the increase of excise duties which entered into force in January 2017, but should decrease to 3.0% in 2018 and remain at a similar level in 2019 and 2020. The ***planned*** reduction of inflation is key, in order to avoid the need to further increase interest rates that would negatively affect consumption and investment, raising doubts about the growth outlook. Following a long period of fiscal consolidation since 2009, the fiscal deficit of the general government started to widen in 2015 (3.8% of GDP), partly as a result of an increase in social spending, which, according to preliminary analysis by the World Bank,5 has had a broadly positive impact on poverty and inequality, but also reflecting the negative impact of the economic slowdown on tax revenues. The budgetary position further deteriorated in 2016, with the government deficit estimated by the IMF at 4.1% of GDP, as a result of both weaker-than-expected revenues and spending increases ahead of the October parliamentary elections (mainly in defence, public transport, infrastructure and healthcare). The fiscal deficit (which was projected to increase further, to around 6% of GDP this year, before the new IMF ***programme*** was agreed) is now forecast to remain at the same level (4.1%) in 2017 and to decrease gradually afterwards, reaching 3.1% in 2020. The country has been financing its deficits mainly through external borrowing (roughly half of the total – much of it from official creditors on below-market terms), followed by privatisation proceeds and domestic borrowing (in what remains a shallow market). Public debt increased to an estimated 44.6% of GDP in 2016 (from 35.6% in 2014) and is expected to rise further, peaking at around 47% in 2019, before decreasing gradually afterwards. The fiscal strategy of the Georgian authorities is based on further consolidation. Notably, the Georgian authorities ***plan*** to reduce current spending (a reduction in the wage bill and administrative expenses, efficiency gains in healthcare spending, and new spending controls on local governments), whilst increasing capital spending, mainly in infrastructure, and introducing a second (funded) pillar of the pension system.6 On the revenue side, the Georgian authorities have increased taxes (notably, excise duties on tobacco products, vehicles and fuel) to compensate for revenue losses due to the corporate income tax reform7 and are ready to take additional measures if needed. 1.3 Structural reform challenges The key element of Georgia’s structural reform agenda is the so-called Four Point Reform ***Plan*** which focuses on improving business environment, education and public administration as well as investment in infrastructure. The Georgian authorities intend to complement these 5 World Bank Group: Georgia: Recent Trends and Drivers of Poverty Reduction, August 2016. 6 In the current one-pillar system, pension benefits consist of a lump sum paid to all citizens aged over 60 (women) and 65 (men), regardless of the number of years worked. The reform which should be proposed to the Parliament in June 2017 would introduce a second, earnings-related pillar beside the basic lump sum and would be financed through social security contributions by the government, the employee, and his/her employer, amounting to 2% of the employee’s salary for each of the three contributors. The reform is foreseen to take effect in January 2018, bringing the cost of the pension system to 21-22% of the budget, up from around 18% of the budget in 2016. In addition, the government is considering a possibility to introduce a third (privately funded) pillar. 7 As of January 2017, the corporate income tax only applies to distributed profits, while reinvested or retained profits are exempted from taxation. To cover the cost of the reform, estimated at cumulative 1.7% of GDP over 2017 and 2018, excise taxes on tobacco, imported cars and oil products were also raised in January 2017. These increases in taxes and other adjustment measures should compensate the cost of the corporate income tax reform. 7 structural reforms with fiscal reforms and strengthening of the financial sector. An additional challenge is the ongoing adaptation to the requirements of the DCFTA with the EU. The first leg of the Four Point Reform ***Plan*** aims at improving the business environment. Notably, the Georgian authorities ***plan*** to reform the insolvency law, to ensure an adequate restructuring framework for viable businesses, and to introduce International Financial Reporting Standards (IFRS) for financial reporting by corporations. In addition, the Georgian authorities ***plan*** to continue the land reform by extending the application of a special rule which simplifies the land registration process. The land reform should contribute to rural development through increased efficiency in ***agricultural*** production, by simplifying land transactions and facilitating the use of land as collateral for borrowing. The second leg of the Reform ***Plan*** concerns education reform. The Georgian authorities ***plan*** to improve the education system, by setting curriculum standards, and introducing vocational training and adult learning. This reform should help to address the skills mismatch which is one of the main structural weaknesses of the Georgian economy and contributes to high unemployment. As part of the third leg of the Reform ***Plan***, the Georgian authorities ***plan*** to make the public administration more efficient. This will notably involve containing the wage bill and administrative expenses, improving the targeting of subsidies and of social assistance ***programmes***, and introducing a one-stop shop for all government services. These changes are expected to improve the business environment further (aside from the measures under the dedicated first leg of the Reform ***Plan***) and create fiscal space for investment. The fourth leg of the Reform ***Plan*** covers investment in infrastructure (highways, ports, airports and railways). Additional and better infrastructure is expected to help Georgia utilise its potential of a transit country between Europe and Asia, support the development of the growing tourism sector, and in this way create new economic opportunities for all citizens. The Georgian authorities intend to complement structural reforms with fiscal reforms. Notably, the Georgian authorities ***plan*** to improve the management of fiscal risks stemming from public-private partnerships (PPPs) and state-owned enterprises (SOEs). Regarding PPPs, the Georgian authorities will submit a law by end-2017, which will establish reporting and monitoring government exposure on PPPs as well as cap such government exposure. Regarding SOEs, the Georgian authorities will expand the analysis of contingent liabilities associated to such enterprises, as part of the Fiscal Risk Statement accompanying the 2018 budget. The Georgian authorities also ***plan*** to tighten budget lending, e.g to SOEs, by requiring a reasonable expectation of commercial returns on new operations. In the financial sector, the Georgian authorities ***plan*** to introduce a deposit guarantee scheme and to improve regulatory, supervisory and resolution frameworks for banks. In April 2017, the Georgian Parliament approved legislative amendments that invalidate the effects of a 2014 law establishing a new financial supervision agency. In this way, the Georgian authorities have reaffirmed the independence of the NBG, reverting to the original legal framework whereby the responsibility for financial supervision is assigned to the NBG, as recommended by the international financial institutions and the EU. The issue of high dollarisation will continue to be addressed by introducing liquidity coverage ratio limits, with preferential treatment of liabilities denominated in the national currency. On the supply side, the Georgian authorities also ***plan*** to develop the capital markets, notably by starting to publish the calendar of government bond issuances to develop a benchmark, upgrading the trading infrastructure of the Georgian Stock Exchange and introducing derivatives. On the demand side, the Georgian authorities ***plan*** to introduce a second (funded) pillar of the pension system, which is also intended to create demand for long-term financial instruments denominated in the national currency. In addition, the Georgian authorities ***plan*** 8 to introduce mandatory third-party vehicle insurance, to support the development of the insurance sector. Another set of structural reform challenges stems from DCFTA implementation, in particular the removal of non-tariff barriers and the approximation of rules and standards to the EU that come with it. In the long term, this should have a positive impact on the Georgian economy, by increasing competition, creating a more predictable and transparent legal setting, and improving the business climate. However, recent analysis8 suggests that the net benefits of the DCFTA are highly asymmetric along the time dimension, with high costs in the short and medium term, and benefits accruing mostly in the longer term. Also, the effects of DCFTA implementation are likely to be uneven across regions and economic sectors, with less competitive regions and sectors facing higher adjustment costs and/or smaller benefits. In order to address these challenges, the Georgian authorities and the EU will continue supporting private sector competitiveness, for instance, as part of a project financed by the EU4Business initiative and the EBRD, aimed at strengthening Georgian SMEs and their ability to export in high potential areas, such as ***agriculture*** and the hospitality sector. 1.4 IMF and other donor support Since 1994, Georgia has benefited from several arrangements with the IMF in support of its economic adjustment ***programmes***. The last one, a three-year Stand-By Arrangement (SBA) with a total access of SDR 100 million (about USD 154 million, or 67% of Georgia’s quota), was approved by the IMF Executive Board in July 2014. 80% of the funds under this SBA were released in two tranches that same year, following the first ***programme*** review. No further reviews were completed under this ***programme***, for several reasons, notably disagreements between the IMF and the Georgian authorities on: (i) the transfer of responsibility for banking supervision from the central bank to the new financial supervision agency (which was seen as a politically motivated assault on central bank independence at the time); (ii) the fiscal strategy in the context of a growing fiscal deficit; and (iii) the failure by the Georgian authorities to put in place a clear legal framework for the granting of state guarantees, including for PPPs. As noted in the previous section, issue (i) regarding the role of the central bank has since been resolved. Likewise, a new government, which took office after the elections in October 2016, has committed to tackling issues (ii) and (iii), as part of its reform ***programme***. In this context, in April 2017, the IMF Executive Board approved a three-year EFF ***programme*** of SDR 210.4 million (about USD 285 million, or 100% of the quota), which will support the reform ***programme*** of the Georgian authorities, aimed at promoting higher and more inclusive growth while maintaining macroeconomic stability. In terms of fiscal consolidation, the IMF notably insisted on the need for measures to offset the loss in fiscal revenues due to the corporate income tax reform as well as the government’s ambitious public investment ***programme***. The ***programme*** is underpinned by an agreement on a deficit reduction path from 4.1% of GDP in 2016 to 3.1% of GDP in 2020, which is projected to help to put public debt on a downward path from end-2019. In terms of structural reforms, the benchmarks attached to the new EFF ***programme*** notably include the submission to Parliament of legislation establishing a second pillar of the pension system, deposit insurance as well as reporting and a ceiling of exposure on PPPs. Structural reform benchmarks also include measures aimed at strengthening financial supervision and at developing capital markets. In addition to fiscal consolidation and structural reforms, the 8 See, for instance, Amat Adarov and Peter Havlik, ʻBenefits and Costs of DCFTA: Evaluation of the Impact on Georgia, Moldova and Ukraine’, The Vienna Institute for International Economic Studies (wiiw), 20 January 2017, available at: [*https://wiiw.ac.at/benefits-and-costs-of-dcfta-evaluation-of-the-impact-on-georgia-moldova-and-ukraine-dlp-4111.pdf*](https://wiiw.ac.at/benefits-and-costs-of-dcfta-evaluation-of-the-impact-on-georgia-moldova-and-ukraine-dlp-4111.pdf) 9 ***programme*** is also expected to unlock additional multilateral and bilateral financing for Georgia over the ***programme*** period (2017-2020). The World Bank has been a key development partner for Georgia since 1992, supporting investment projects and the reform agenda in various sectors. In 2014, Georgia graduated from the International Development Association (IDA), which offers concessional loans and grants to the poorest countries, to become an International Bank for Reconstruction and Development (IBRD)-only borrower. As of April 2017, the World Bank has a portfolio of 13 active projects under implementation in Georgia, with a total commitment of USD 739 million. Although the World Bank’s investment portfolio is mainly in infrastructure, its overall partnership with Georgia is broader. Activities in other areas reflect the two active Development Policy Operations (DPOs). The Second Programmatic Inclusive Growth DPO – of EUR 47.2 million approved in April 2017 – targets improvements in the public sector (oversight of public institutions, improved budgeting, a framework for civil service reform, improved coverage and quality of social services, and strengthened monitoring of outcomes). The Second Private Sector Competitiveness DPO – of EUR 44.6 million approved in July 2017 – aims to increase private sector competitiveness (through business environment reforms, financial sector deepening and diversification, and increasing firms’ capacity to innovate and export). The World Bank is also active in Georgia through the International Finance Corporation (IFC) which finances and provides advice for private sector projects. Since 1995, the IFC has provided around USD 1.6 billion in long-term financing for the private sector in Georgia. The Asian Development Bank (ADB) has been supporting Georgia’s development since 2007. Approved sovereign loans to Georgia total around USD 1.8 billion: USD 900 million from the concessional Asian Development Fund (ADF) and USD 885 million from ordinary capital resources (OCR). In January 2017, Georgia graduated from concessional ADF resources, as it is now classified as a middle-income country. However, Georgia is still eligible for the regular OCR lending, of which the indicative resources available for 2017-2019 amount to USD 600 million. The ADB also provides direct financial assistance to the non-sovereign public sector and the private sector in Georgia. Non-sovereign ADB loans to Georgia total USD 330 million. The European Bank for Reconstruction and Development (EBRD) has invested close to EUR 3 billion in Georgia since 1994. As of August 2017, the EBRD had an outstanding portfolio of EUR 719 million, with 74 active operations. According to its new strategy in Georgia for 2017-2021, the EBRD will continue supporting private sector development through innovation, enhanced value added and convergence with DCFTA standards and obligations; financial sector development through deepening of financial intermediation as well as local currency and capital markets; inter-regional connectivity, notably through investments under PPPs; and renewable energy, resource efficiency and climate change adaptation. The European Investment Bank (EIB) has been active in Georgia since 2010 and has provided to the country EUR 700 million of loans. For instance, the EIB is funding several sections of an East-West highway that will connect Georgia’s border with Azerbaijan in the east with Batumi on the Black Sea. The latest section of the highway is funded with a EUR 49.5 million loan signed in February 2016. The EIB also finalised a EUR 100 million deal in October 2015 to rehabilitate the waste-water network and construct a new waste-water treatment plant in Kutaisi. In addition to multilateral financing, Georgia also benefits from bilateral official loans. As of June 2017, the outstanding stock of Georgia’s external bilateral government debt was around USD 785 million, the main sources of financing being Germany (with an outstanding stock of loans of around USD 275 million), Japan (USD 205 million), France (USD 110 million, 10 notably through the French development agency, Agence Française de Développement (AFD)) and Russia (USD 75 million). The European Neighbourhood Instrument (ENI) funds the EU’s regular cooperation assistance to Georgia, covering budget support, technical assistance, project implementation and policy advice. The total indicative ENI allocation to Georgia for 2014-2020 is EUR 610-746 million. The EU Single Support Framework (SSF) identifies the priority sectors of ENI-funded cooperation with Georgia. Future support, from 2017, will focus on (i) economic development and market opportunities (including smart, sustainable and inclusive economic growth); (ii) strengthening institutions and good governance (including the rule of law and security); (iii) connectivity, energy efficiency, environment and climate change; and (iv) mobility and people-to-people contacts (including support to the continuous implementation of the visa liberalisation benchmarks and to vocational education and training). Georgia also benefits from the Neighbourhood Investment Facility (NIF) which pools grant resources from the EU budget and the EU Member States and, in this way, helps to leverage loans from European financial institutions as well as contributions from partner countries thems

elves. During the period of 2008-2017, the NIF contributed around EUR 86 million to ten projects in Georgia, mainly in energy, transport and water/ sanitation sectors. As further discussed in section 4 below, the proposed MFA will support efforts to establish a stable macroeconomic framework and improve economic governance in Georgia. In this way, the proposed MFA will complement the standard EU aid packages mobilised under the ENI and NIF, and will enhance the added value and effectiveness of the EU’s involvement through those standard financial instruments. 1.5 Georgia’s external financing needs The projections ***produced*** by the IMF in March 2017, in the run up to the agreement on the new EFF ***programme***, point towards significant external financing requirements for the ***programme*** period (2017-2020). The total external financing gap for this period is estimated at USD 752 million (see Table 2). This financing gap can broadly be attributed to three factors: a relatively large current account deficit, the need to increase foreign exchange reserves, and significant expected debt amortisation requirements. As explained in the section describing the macroeconomic situation, Georgia’s current account deficit further deteriorated in 2016 to 12.4% of GDP (from 12.0% of GDP in 2015 and 10.6% in 2014) and remains a major source of vulnerability. The current account deficit is expected to worsen further to 12.9% in 2017, before decreasing gradually to 11% in 2020. The very large current account deficit is mainly driven by the trade in goods deficit which is only partly offset by surplus in trade in services, as well as primary and secondary income (transfers from abroad, including remittances). The second factor contributing to the estimated external financing gap is the significant external debt amortisation. In particular, the repayments of public external debt are expected to accelerate from 1.2% of GDP in 2017 to the average of 1.7% of GDP per year during the period of 2018-2020 and peak at 4.2% of GDP in 2021, one year after the end of the recently agreed IMF ***programme***. While other components of the capital and financial account, notably FDI and loans, cover the current account deficit, they are not enough to finance the necessary increase in Georgia’s foreign exchange reserves. Georgia’s foreign exchange reserves have been stable in absolute terms in the past few years, totalling USD 2.8 billion at end-2016 (about 3 months of import cover). However, reserve needs have been rising. Therefore, reserves currently represent only 88% of the IMF’s composite reserve adequacy measure. In fact, one of the main aims of the recently agreed EFF ***programme*** is to help Georgia increase reserves to an adequate level. Compared to 2016, the 11 reserves should increase by 54% to USD 4.2 billion in 2020 (about 4 months of import cover). This is projected to be equivalent to 110% of the IMF composite reserve adequacy measure for countries with a floating exchange rate regime. The IMF deems exceeding 100% of its measure to be warranted by the additional risks stemming in particular from high dollarisation. The targeted increase in foreign exchange reserves and the combined balance of the current account and the capital and financial account ***produce*** an overall external financing gap of USD 752 million for the period 2017-2020. As noted above, the IMF ***programme*** approved in April 2017 makes USD 285 million available to Georgia. However, the net disbursements of IMF funds will amount to only USD 171 million over the ***programme*** period of 2017-2020. The difference between gross and net flows reflects repurchases from previous IMF arrangements falling due during this period. The World Bank, in turn, is expected to make new disbursements of USD 350 million to Georgia over the period of 2017-2020. Table 2: Georgia’s External Financing Gap and Potential Financing Sources Sources: Latest IMF staff estimates and projections (March 2017) and Commission staff calculations \* Disbursement of the last tranche of the 2015-2017 MFA operation. \*\* Depending on the pace of the legislative process and, thereafter, the implementation of the MFA operation, the disbursement of the proposed assistance may also be split between 2018 and 2019. In total, contributions from the Bretton Woods institutions (the IMF and the World Bank) are expected to reduce the external financing gap by around 70%, leaving a residual external financing gap of USD 231 million for the period 2017-2020. Therefore, the proposed MFA operation of EUR 45 million (USD 50 million), in addition to EUR 23 million (USD 26 million) disbursed under the previous MFA operation in May 2017, would cover 32.9% of the estimated residual financing gap. Such proportion would be consistent with the principles of fair burden-sharing among donors and value added of the EU’s MFA, as required in the Joint Declaration of 12 August 2013 of the Parliament and the Council on Macro-Financial Assistance. Specifically, covering almost one-third of the residual financing gap seems consistent with the “more for more” principle of the European Neighbourhood Policy, considering that Georgia is among the EU’s associated countries and arguably a long-standing and consistent reform performer in the Eastern neighbourhood. USD million2017201820192020Total 2017-20201. Current account balance-1,775-1,849-1,836-1,905-7,3652. Capital and financial account balance1,8231,9422,0762,2648,1053. Overall balance (1+2)48932403597404. Reserves (“-“ indicates increase)-304-315-423-450-1,4925. Overall External Financing Gap -256-222-183-91-7526. Exceptional Financing by the IMF and the World BankNet IMF disbursements69273441171Disbursements by the World Bank100100100503507. Residual Financing Gap-87-95-490-231Financing of the gapEU MFA26\*50\*\*76Agence Française de Développement6262Asian Development Bank5050100Total identified sources88100500238Total MFA as % of the residual gap for 2017-202032.9 12 Other key contributions to covering the residual financing gap include budget support grants from the French development agency, AFD (of USD 62 million in 2017), and the Asian Development Bank (expected to amount to USD 100 million in 2018-2019). Looking at the total identified financing gap, the proposed MFA amount would cover only 10% of the gap for 2017-2020, with other donors – including those mentioned in the preceding sentence, as well as the IMF and World Bank – covering 90%. OBJECTIVES AND MONITORING INDICATORS OF THE MACRO-FINANCIAL 2.ASSISTANCE 2.1 Objectives The objectives of the proposed MFA operation are to: (i) contribute to covering the external financing needs of Georgia in the context of a sizeable external financing gap brought about by a relatively large current account deficit, significant external debt amortisation, and the need to build up foreign exchange reserves; (ii) support the fiscal consolidation and external stabilisation efforts in the context of the recently agreed IMF ***programme***; (iii) support structural reform efforts aimed at improving the overall macroeconomic management, strengthening economic governance and transparency, and improving conditions for sustainable growth; (iv) facilitate and encourage efforts by the Georgian authorities to implement measures identified under the EU-Georgia Association Agreement and in the context of the bilateral cooperation ***programmes***, support regulatory convergence and economic integration with the EU and strengthen the EU’s economic policy dialogue with the authorities. 2.2 Monitoring indicators The fulfilment of the objectives of the assistance will be assessed by the Commission, including in the context of the ex-post evaluation (see below), on the basis of the following indicators: (i) progress with macroeconomic and financial stabilisation, notably by assessing the degree of adherence to the IMF ***programme***; and (ii) progress with the implementation of structural reforms, notably the specific policy actions identified as conditions for disbursement of the assistance, which will be included in a Memorandum of Understanding to be negotiated between the Commission and the Georgian authorities. DELIVERY MECHANISMS AND RISK ASSESSMENT 3. 3.1 Delivery mechanisms The MFA operation under consideration would amount to a maximum of EUR 45 million (about USD 50 million). The Commission proposes to provide the amount of the assistance in the form of a medium-term loan of up to EUR 35 million and grants of up to EUR 10 million. Given the proposed size of the operation, the Commission is considering releasing the assistance in two instalments.9 The first tranche would be composed of a loan element of 9 Depending on the pace of the legislative process and, thereafter, the implementation of the MFA operation, the disbursement of the proposed assistance may take place in 2018 or be split between 2018 and 2019. 13 EUR 15 million and a grant element of EUR 5 million, and the second tranche of a loan element of 20 million and a grant element of EUR 5 million. While the proposed amount is significant in terms of its share in the coverage of the residual financing (32.9%, as noted in the section describing Georgia’s external financing needs), it is important to ensure its value added, notably by providing the EU with sufficient leverage to promote progress with reforms. At the same time, disbursements under the MFA ***programme*** will be conditional on good progress with both the IMF ***programme*** and the specific policy conditionality that will be agreed with the EU in the Memorandum of Understanding in the context of the proposed MFA operation. The inclusion of a grant element is consistent with the methodology for determining the use of grants and loans in EU MFA, as endorsed by the Economic and Financial Committee in January 2011.10 These criteria cover the level of economic and social development (as measured by the Gross National Income (GNI) per capita and the poverty ratio) and debt sustainability, and have to be cross-checked against the classification of a country by other multilateral donors, notably the Bretton Woods institutions. In terms of economic and social development, Georgia is a lower middle-income country, with the GNI per capita of USD 3,810 in 2016.11 In addition, the incidence of poverty remains high in Georgia by regional standards, with 25.3% of population living below the World Bank’s relative poverty line,12 compared to the average of 7.3% in the EU Eastern Partnership countries. In terms of debt sustainability, Georgia’s level of public debt is considered as sustainable by the IMF (based on its latest Debt Sustainability Analysis, ***produced*** in the context of the recently agreed EFF ***programme***). However, Georgia’s public debt ratios have increased significantly, partly due to the depreciation of the lari. The public debt-to-GDP ratio increased from 35.6% at end-2014 to 44.6% at end-2016 and is expected to further rise to about 48% in 2018 before gradually decreasing again. The same is true for Georgia’s external debt which hovered around 80% of GDP in 2008-2014 but increased significantly in the following years, to 111.8% of GDP at end-2016, and is projected to increase further, to 120.2% by 2020. The high and increasing level of external debt, together with high dollarisation, remains a major source of vulnerability of the Georgian economy, and thus argues in favour of maintaining the grant element in the proposed MFA operation. In terms of classification by the Bretton Woods institutions, Georgia is no longer eligible for concessional financing from either the Poverty Reduction and Growth Trust (PRGT, the concessional arm of the IMF) or the IDA (the concessional arm of the World Bank). However, Georgia’s graduation from concessional financing by these multilateral donors is relatively recent, and this is reflected by the fact that IDA credits still represent 63% of the outstanding World Bank lending to Georgia. Overall, Georgia meets the criteria for receiving MFA grants, notably due to the combination of relatively modest GNI per capita and high indebtedness (both public debt and external debt). This conclusion is also supported by the high incidence of poverty, in particular in rural 10 Commission Staff Working Document accompanying the report from the Commission on the implementation of Macro-Financial Assistance to third countries in 2010: Criteria for determining the use of loans and grants in EU Macro-Financial Assistance, SEC(2011) 874 final. 11 Based on the World Bank’s Atlas 2016 figures (GNI per capita is the gross national income, converted to US dollars using the World Bank Atlas method, divided by the population). However, Georgia’s GNI per capita remains close to the threshold of USD 3,955 separating lower and upper middle-income countries, and Georgia was classified as an upper middle-income country for a single year in 2015. 12 Latest available (2014) data on the poverty headcount ratio at USD 3.10 a day (at purchasing power parity in 2011), as a percentage of population. 14 areas, and the fact that Georgia has graduated from concessional lending by the Bretton Woods institutions only recently. However, this graduation argues in favour of prioritising the loan element. Therefore, the Commission proposes to provide the bulk (78%) of the proposed MFA in the form of loans. As usual, these loans will have favourable conditions in terms of long maturities (of up to 15 years) and a low interest rate (the rate at which the EU, benefiting from its AAA rating, borrows the funds in the international capital markets). Also, the proposal is consistent with a gradual decrease of the grant element in MFA operations to Georgia (the grant element constituted 100% of the MFA amount in 2009-2010, 50% in 2014-2016, and would constitute around 22% of the proposed MFA operation). 3.2 Risk assessment There are fiduciary, credit, policy and political risks related to the proposed MFA operation. There is a risk that the MFA could be used in a fraudulent way. As MFA is not designated to specific expenses by Georgia (contrary to project financing, for example), this risk is related to factors such as the general quality of management systems in the central bank and the ministry of finance, administrative procedures, control and oversight functions, the security of IT systems and the appropriateness of internal and external audit capabilities. To mitigate the risks of fraudulent use several measures will be taken. First, the Loan Agreement and the MFA Grant Agreement will comprise a set of provisions on inspection, fraud prevention, audits, and recovery of funds in case of fraud or corruption. Also, the assistance will be paid to a specific account of the National Bank of Georgia. Moreover, in line with the requirements of the Financial Regulation, the Commission services have carried out an Operational Assessment of the financial and administrative circuits of Georgia to ascertain that the procedures in place for the management of ***programme*** assistance, including MFA, provide adequate guarantees. The preliminary findings from a mission conducted by a consultancy company for the purposes of this Operational Assessment were received in September 2017. They indicate that the current status of the administrative and financial circuits of Georgia is adequate for managing a new MFA operation although some weaknesses remain. The draft final report on this Operational Assessment is expected to be received in November 2017. Developments in that area will continue to be closely monitored also through the regular progress reports on public finance management (PFM) reforms ***produced*** by the EU Delegation in Tbilisi. The Commission is also using budget support assistance to help the Georgian authorities improve their PFM systems, and these efforts are strongly supported by other donors. Finally, the assistance will be liable to verification, control and auditing procedures under the responsibility of the Commission, including the European Antifraud Office (OLAF), and the European Court of Auditors. A second risk stems from the possibility that Georgia will fail to service the financial liabilities towards the EU stemming from the proposed MFA loans (default or credit risk), which could be caused for example by a significant additional deterioration of the balance of payments and fiscal position of the country. This risk is mitigated, however, by the fact that the EU’s MFA would be part of an international package of official assistance led by the IMF that is supporting an adjustment and reform ***programme*** aimed at restoring fiscal and balance of payments sustainability through the implementation of a series of policy measures, included those to be agreed in the Memorandum of Understanding between the EU and the Georgian authorities. Moreover, the risks for the EU budget are cushioned by the EU’s Guarantee Fund for external actions. 15 Another key risk to the operation stems from the regional geopolitical situation, in particular due to Georgia’s still difficult relations with Russia and the breakaway regions of Abkhazia and South Ossetia. A worsening of this regional geopolitical situation could have a negative impact on Georgia’s macroeconomic stability, affecting the IMF ***programme*** performance and the disbursement and/or repayment of the proposed MFA. Finally, the Georgian economy faces other broader risks due to an uncertain regional and global economic outlook. Regional and global growth is expected to pick up in 2017, but will remain subdued and subject to downside risks of protectionism, volatile financial markets and potential appreciation of the US dollar. If these risks materialise, they could result in lower economic growth in Georgia which, coupled with persistently high inequality and a relatively limited social safety net, could weigh on the budget and reduce domestic support for structural reforms. Having made a thorough assessment of the risks, the Commission services consider that there are sufficient grounds and guarantees to proceed with the proposed MFA to Georgia. The Commission services will maintain close contacts with the Georgian authorities during the implementation of the MFA in order to address quickly any concerns that may arise. ADDED VALUE OF EU INVOLVEMENT 4. The Union’s financial support to Georgia reflects the country’s ***strategic*** importance to the EU in the context of the ENP. The MFA instrument is a policy-based instrument that aims to alleviate short- and medium-term external financial needs. As a part of the overall EU package of assistance, it would contribute to support the Union’s objectives of economic stability and economic development in Georgia. By supporting the authorities’ efforts to establish a stable macroeconomic framework and improve economic governance, the proposed assistance would help improve the effectiveness of other EU financial assistance to the country, including budgetary support operations. The EU’s MFA would also complement the standard EU aid packages mobilised under the ENI. By supporting the adoption, by the Georgian authorities, of an appropriate framework for macroeconomic policy and structural reforms, the EU’s MFA would enhance the added value and effectiveness of the EU’s involvement through other financial instruments. ASSESSMENT OF CRITERIA APPLICABLE TO MACRO-FINANCIAL ASSISTANCE13 5. 5.1 Exceptional Character and Limited Time-frame The proposed MFA operation would be exceptional, aiming to support the restoration of a sustainable external finance situation of Georgia. It would run in parallel to the recently agreed IMF ***programme*** covering the period of 2017-2020. The proposed MFA would have an availability period of 2.5 years from the entry into force of a Memorandum of Understanding, as part of conditionality requirements described below. Such a timeframe is expected to cover part of the IMF ***programme*** period. Against this background, the proposed MFA is expected to be implemented in 2018, with the disbursement of the two instalments in, respectively, the first and the second half of that year.14 While in the short-term Georgia faces substantial external financing needs, the macroeconomic and structural adjustment ***programme*** agreed with the IMF and supported by 13 Established Commission practice in line with the Joint Declaration by the European Parliament and the Council adopted together with Decision No 778/2013/EU of the European Parliament and of the Council of 12 August 2013 providing further macro-financial assistance to Georgia, OJ L 218, 14.8.2013, p. 15. 14 Depending on the pace of the legislative process and, thereafter, the implementation of the MFA operation, the disbursement of the proposed assistance may take place in 2018 or be split between 2018 and 2019. 16 the proposed MFA is expected to gradually strengthen Georgia’s balance of payments position. 5.2 Political preconditions and EU-Georgia relations MFA is available to geographically close third countries that respect effective democratic mechanisms (including a multi-party parliamentary system) and the rule of law and that guarantee human rights, and with which the EU maintains close political and economic links. Countries that are covered by the European Neighbourhood Policy (ENP), like Georgia, are in principle eligible for MFA. Political preconditions: A pre-condition for granting MFA is that the eligible country respects effective democratic mechanisms, including a multi-party parliamentary system and the rule of law, and guarantees respect for human rights. Georgia has consolidated its democracy and the rule of law, as well as further reinforced respect for human rights. The latest parliamentary elections in October 2016 were competitive and well-administered. Regarding the judiciary, Georgia’s reforms have promoted judicial independence, professionalism and accountability. EU-Georgia relations: The EU and Georgia have developed close political and economic relations over the years, leading to the conclusion of the Association Agreement, including the DCFTA, which was signed in 2014 and entered into force in July 2016. This Association Agreement, which has replaced the previous Partnership and Cooperation Agreement, will allow for political association and economic integration of Georgia with the EU. The Single Support Framework (SSF) identifies the priority sectors of EU cooperation with Georgia under the ENI. The SSF for 2017-2020 is currently being finalised. Georgia’s economic ties with the EU are already well developed. In 2016, the EU was the main trading partner of Georgia, with a 32.6% share of trade, well ahead of other main trading partners (Turkey and Russia, with, respectively, 17.2% and 8.1% shares of trade). The EU is also Georgia’s main investment partner and donor. In view of the above, the political preconditions for an MFA to Georgia, including the aspect of political and economic closeness to the EU, may be considered to be satisfied.15 5.3 Complementarity The proposed MFA would complement the assistance provided by other multilateral and bilateral donors in the context of the new IMF-sponsored economic ***programme***. Based on the currently available information, multilateral and other donors than the EU are expected to cover around 90% of the estimated external financing gap for the period of 2017-2020, ensuring reasonable burden-sharing. The EU’s MFA would also complement the standard EU aid packages mobilised under the ENI. The proposed MFA would contribute to the EU’s leverage on policy making in Georgia, helping the country reduce economic vulnerabilities, and promote higher and more inclusive economic growth. 5.4 Conditionality Disbursements under the proposed MFA operation would be conditional on successful reviews under the IMF ***programme*** and on the effective drawing by Georgia on IMF funds. In addition, the Commission – on behalf of the EU – and the Georgian authorities would agree on a specific set of structural reform measures, to be defined in a Memorandum of Understanding. These reform measures would support the authorities’ reform agenda and complement the ***programmes*** agreed with the IMF, the World Bank and other donors, as well 15 A more comprehensive assessment of the satisfaction of the political preconditions for MFA, provided by the European External Action Service, is annexed to this document. 17 as the policy ***programmes*** associated with the EU’s budget support operations. They would be consistent with the main economic reform priorities agreed between the EU and Georgia in the context of the Association Agreement, including the DCFTA and the Association Agenda. The Commission will seek a broad consensus with the Georgian authorities, so as to ensure ownership and smooth implementation of the agreed conditionality. The policy conditions should address some of the weaknesses shown over the years by the Georgian economy and economic governance system. Possible areas of conditionality could, in principle, include reforms aimed at reinforcing social safety nets, PFM, strengthening the investment climate and supporting the implementation of the DCFTA. Any conditionality will be coordinated with the relevant international financial institutions, as well as the EU’s regular policy-based assistance instruments, notably budget support operations. 5.5 Financial discipline The ***planned*** assistance will be provided in the form of loans and grants. The loan part will be financed through a borrowing operation that the Commission will conduct on behalf of the EU. The budgetary impact of the loan assistance will correspond to the provisioning of the EU’s Guarantee Fund for external actions, at a rate of 9% of the amounts disbursed, from budget line 01 03 06 (Provisioning of the Guarantee Fund). Assuming that the two loan disbursements (of EUR 15 million for the first tranche and EUR 20 million for the second tranche) will be made in 2018, the provisioning will take place in the 2020 budget, in accordance with the rules governing the guarantee fund mechanism, for an amount of EUR 3.15 million. The grant element of the assistance (EUR 10 million in total, i.e EUR 5 million for each of the two tranches) will be financed from commitment appropriations of the 2018 budget, under the budget line 01 03 02 (Macro-Financial Assistance), with payments also taking place in 2018.16 Based on current projections on the utilisation of the budget lines 01 03 02 and 01 03 06, the Commission assesses that the budgetary impact of the proposed MFA operation for Georgia can be accommodated. In line with the requirements of the Financial Regulation, the European Commission services are currently carrying out, as noted, an Operational Assessment of the financial and administrative circuits of Georgia. Developments in this area will continue to be closely monitored also through the regular progress reports on PFM reforms ***produced*** by the EU Delegation in Tbilisi. EVALUATION AND COST-EFFECTIVENESS 6. This assistance is of exceptional and macroeconomic nature and its evaluation will be undertaken in line with the standard Commission procedures. 6.1 Evaluation Ex-post evaluations of MFA operations are foreseen in the Multi-Annual Evaluation ***Programme*** of the Commission’s Directorate-General for Economic and Financial Affairs. An ex-post evaluation of the proposed MFA to Georgia will be launched within a period of two years after the availability period has expired. A provision for the ex-post evaluation is included in the proposed Decision for the assistance and will also be included in the 16 As already indicated, depending on the pace of the legislative process and, thereafter, the implementation of the MFA operation, the disbursement of the proposed assistance may take place in 2018 or be split between 2018 and 2019. 18 Memorandum of Understanding. Budget appropriations from the budget line for macro-financial assistance grants will be used for this evaluation. 6.2 Achieving cost-effectiveness The proposed assistance would entail a high degree of cost effectiveness for several reasons: (i) Since the assistance would be closely coordinated with the international financial institutions, which, as noted, are making their own financial contributions, its ultimate impact could be very significant compared to its cost. Moreover, in negotiating specific policy conditions, the Commission will be able to draw on the expertise of those institutions, including the IMF and the World Bank, and to influence their conditionality as well in ways that will take into account the EU’s views. (ii) Providing coordinated macroeconomic support to Georgia on behalf of the EU, the MFA would be more cost efficient than the provision of a similar total amount of financial support by EU Member States individually. (iii) A substantial part of the proposed assistance would be provided in the form of loans, through which scarce budgetary funds are effectively leveraged, thus enhancing the impact of the EU budget. (iv) Finally, the Commission will aim at achieving synergies with other EU policies and instruments used to support the implementation by the beneficiary of the relevant measures (notably in the area of PFM). 1 ANNEX EUROPEAN EXTERNAL ACTION SERVICE Head of Division Eastern Partnership - Bilateral Brussels, 16 August 2017 EURCA EAST 2 (2017) 4424462 (s) ASSESSMENT OF DEMOCRACY, HUMAN RIGHTS, RULE OF LAW AND POLITICAL REFORMS IN GEORGIA Georgia's current constitution provides for a semi-presidential democracy based on the rule of law, division of powers including independence of the judiciary, and respect for human rights. The ongoing revision of the constitution should introduce in the years to come a fully proportional electoral system and reinforce pluralist multi-party democracy in the country. The constitution, together with ordinary law, guarantees the freedom of the press/media, speech, religion, association and assembly. There is also a well-developed legal framework providing for free establishment and functioning of civil society organisations. An EU-Georgia Association Agreement, including a Deep and Comprehensive Free Trade Area (AA/DCFTA), was signed in 2014, provisionally applied from 1 September 2014 and entered into force on 1 July 2016. The Association Agenda coupled with the Agreement includes numerous commitments of human rights, with concrete chapters of justice; democratic institutions (including elections, constitutional reform and decentralisation); law enforcement bodies; anti-torture and ill-treatment; support to the Public Defender Office; gender equality and children’s rights. The government's reform agenda is ambitious and has recently been formalised in an agreement with the IMF. In the region Georgia is a frontrunner in most chapters of EU cooperation. However, the super majority of the Georgian Dream party in the legislature and the weak position of opposition parties increase the risk of a lack of consensus on some future reforms. Recent developments The October 2016 elections resulted in a landslide victory of the Georgian Dream, which secured a constitutional majority in parliament (115 out of 150 seats). They once again brought up the question of proportional gender and ethnic minorities representation. Currently, only 15% of Parliamentary seats are occupied by women and 7% by national minorities (according to the 2014 census, ethnic minorities make up 13.2%). Current financial incentives for political parties to include more women appear to be ineffective which is also reflected in the limited number of women in the ministerial positions (2 out of 18). In January 2017, the main opposition party, United National Movement (UNM), split following tensions between the faction supportive of former President Mikheil Saakashvili (which kept the 2 UNM denomination and has 6 seats in Parliament) and the moderate faction (“The Movement for Liberty - European Georgia” with 21 seats in parliament), which further weakened the opposition. The rules for local elections have been reviewed, reducing the number of cities with direct mayoral elections. The next local elections (scheduled for October 2017) will be a test for European Georgia's capacity to attract the UNM's electorate. The parliamentary commission tasked with the preparation of the constitutional reform finalised its draft on 21 April 2017. The main changes proposed in the draft constitution include: introduction of a fully proportional system with a 5% threshold (without the possibility of electoral blocs and all votes for parties not crossing the 5% threshold to be allocated to the winning party); weakening of the President (election by an assembly, reduced veto power, suppression of the National Security Council he chairs and of his right to appoint Supreme Court judges); introduction of a no-confidence procedure against the government (either by one-third of MPs or by the Prime Minister); no second term for the Ombudsman; stronger independence guarantees for the Public Broadcaster and the Prosecutor's Office; and marriage defined as a voluntary union between a man and a woman. The draft was submitted to the Venice Commission of the Council of Europe (VC) whose preliminary opinion welcomed the general direction of the changes but went against some specific proposals concerning the rules regulating elections (e.g the combination of three mechanisms: the 'bonus' for the winning party, the 5% threshold and the prohibition of electoral blocs). The indirect election of the President was not criticised, but mentioned as another factor strengthening the need for high standards in the parliamentary electoral system. The VC preliminary opinion also sent a strong message on the need for recognition of same-sex partnership in the lower level legislation. The government partially followed its commitment to follow VC recommendations, limiting the scope of the vote bonus to 9% and agreeing that the President be elected by direct vote in 2018. But, facing the resistance of a large group of Georgian Dream (GD) parliamentarians, it had to take a last-minute, unilateral decision to postpone the introduction of full proportionality to 2024. The opposition and civil society perceive this as a move fully discrediting all previous GD declarations about working for consensus in an inclusive manner. This also prompted a negative reaction of the VC about the whole process and the apparent lack of consensus behind the major legislative project. The Parliament adopted constitutional amendments in a second reading on 23 June 2017 with 115 votes. Opposition parties boycotted the session. Subsequently, the leaders of the ruling party made public commitments showing openness to try to reach a consensus with the opposition. Opposition parties have expressed their readiness to cooperate, as long as the ruling party agreed to introduce for the next 2020 parliamentary elections the fully proportional model of elections. Regarding human rights and good governance, Georgia has seen some positive developments in 2016 and 2017. Examples include implementation of the Juvenile Justice Code or increased awareness on discrimination and domestic violence. A national Human Rights Strategy and Action ***Plan*** were adopted in 2014. The Action ***Plan*** 2016-2017 was adopted with a delay in June 2016. The anti-discrimination bill adopted in May 2014 needs to be more effectively implemented. Concerns remain in various fields, in particular regarding the rights of persons belonging to minorities. Other areas of concern are gender equality, domestic violence, and lack of accountability with regards to alleged crimes of law enforcement officials. The Public Defender's Office has continued to be very active in monitoring the human rights situation, issuing an increased number of recommendations and special reports on specific topics. The Government institutions are reporting back on those 3 recommendations which can be seen as evidence that the PDO is increasingly accepted in its role. The mandate of the PDO is expiring and a new one should be appointed by the end of 2017. A series of radical reforms from the 2000s led to the de-facto elimination of petty corruption and violent crime. Georgia has also made progress in other areas of human rights and good governance, such as penitentiary reform. On a less positive tone, though, growing consolidation of media ownership in few hands, together with low media revenues, resulted in an only 'partly free' rating for Georgia by Freedom House in 2016. The challenges stemming from the conflicts of the 90s and the 2008 conflict in Georgia remain high. The Georgian government is increasingly concerned by what it perceives as the slow but continuous annexation by Russia of the Georgian breakaway regions of Abkhazia and South Ossetia (closure of two crossing points along the administrative boundary lines with Abkhazia in March, 'elections' in Abkhazia, 'referendum' in South Ossetia to change the name in April, implementation of the 2015 'treaties' with Russia). That said, the 40th round of the Geneva International Discussions took place on 20-21 June 2017 in a constructive atmosphere. With regard to the long-standing project to adopt a statement on non-use of force, parties were very close to an acceptable text, to which finally the Georgians could not agree 'at this stage'. They asked to postpone the issue to the October round. EU-Georgia relations Relations between the EU and Georgia are deep and multifaceted, encompassing gradual economic integration and deeper political cooperation. Georgia participates in many EU agreements and ***programmes***, and is among the best performers in approximation and implementation. With a view to facilitating the implementation of the Association Agreement and its Deep and Comprehensive Free Trade Area, the EU and Georgia agreed in 2014 on an Association Agenda, which provides a list of priorities for joint work through which the overarching objectives of political association and economic integration could be attained. This Agenda is currently being updated for the years 2017-2020. Visa liberalisation for Georgia entered into force in March 2017, since then, 55,000 citizens of Georgia have travelled visa-free to the EU. Conclusions Georgia's constitution and organic legislation enshrine the principle of a multi-party democracy, the rule of law and respect for human rights. Also, the EU and Georgia have developed close institutional and economic ties and the ongoing implementation of the Association Agreement signed in 2014 should help deepen them further. In consistency with the ***programme*** that Georgia recently signed with the IMF, the EU remains fully committed to supporting Georgia in its reform efforts together with other international donors. The envisaged financial assistance should help keep the current reform momentum. In this context, the European External Action Service stands ready to provide a further detailed assessment of the situation of democracy, human rights, rule of law and political reforms in Georgia throughout the lifecycle of the proposed Macro-Financial Assistance operation, whose political preconditions may be considered as being fulfilled.

**Load-Date:** November 22, 2017

**End of Document**



[***Palm oil: UN Environment Project and RSPO commit to supporting smallholders***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R1K-2791-JC6M-X1HF-00000-00&context=1516831)

CosmeticsDesign-Europe.com

November 24, 2017 Friday 10:58 AM GMT+1

Copyright 2017 William Reed Business Media Ltd. All Rights Reserved

**Length:** 404 words

**Byline:** Lucy Whitehouse, , [*Lucy.Whitehouse@wrbm.com*](mailto:Lucy.Whitehouse@wrbm.com)

**Body**

The United Nations Environment Project (UN Environment) and the Roundtable on Sustainable Palm Oil (RSPO) have announced funding to support farmers working with sustainable palm oil.

The two groups have signed a small-scale funding agreement (SSFA) that aims to support oil palm smallholder farmers toward improved livelihood and sustainable production.

A total funding of USD 199,611 from the 10YFP Trust Fund administered by UN Environment and matching funding USD 83,683 from RSPO will be distributed between smallholder farmers in the regions of Sabah, East Malaysia, and Seruyan, Central Kalimantan, over the course of the two year project.

According to the two groups, It is estimated that the success of the project will improve the livelihoods of at least 50,000 schemed and independent smallholders in Sabah, and over 5,300 independent smallholders in Seruyan.

Supporting smallholders: crucial for sustainability​

***Strategic*** Projects Director at RSPO Yohanes Izmi Ryan says ensuring smallholder farmers have adequate financial support is an essential step towards ensuring sustainable palm oil production.

“Smallholders play a significant role in the supply chain, ***producing*** around 40% of the world’s palm oil, but suffer from lower yields, a lack of best management practices, and ultimately struggle to achieve international market access,”​ he explains.

“While RSPO has worked to support smallholders over the years, we recognise that we’re yet to provoke large-scale inclusion of smallholders which RSPO and our stakeholders desire. ​

“However, certification has a significant impact on improving the livelihood of smallholders and ***interventions*** through this ***program*** will be scaled up to the jurisdictional level; enabling these smallholders to achieve RSPO certification,” he said.​

How do these projects work in practice?​

In Seruyan, the sole purpose of the project is to develop an ***Agricultural*** Facility to provide direct support and training for capacity building for more than 1,000 smallholder oil palm farmers, the RSPO explains. In Sabah, a set of four ***intervention*** activities will be trialed in 20 villages across the state.

“Throughout these initiatives, smallholders will develop knowledge and capacity on good ***agricultural*** practices and other key principles of sustainable ***agriculture***, as well as being provided access to ***agricultural*** inputs such as fertilisers, seeds, and nursery management​,” the RSPO asserts.

**Load-Date:** November 24, 2017

**End of Document**



[***Daimler Localizes Production in Russia With New $280Mln Mercedes-Benz Plant***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NVP-RJ51-F11P-X132-00000-00&context=1516831)

Automotive Monitor Worldwide

June 23, 2017 Friday

Copyright 2017 Global Data Point. Provided by Syndigate Media Inc. All Rights Reserved



**Length:** 578 words

**Body**

On Tuesday, the car manufacturer Daimler began construction of a new factory in in the Moscow region. The firm is investing over 250 million ($279 million) in the factory, which will create over 1,000 jobs.

The new factory is located in Esipovo Industrial Park, around 40km northwest of the Russian capital. It will manufacture sport utility vehicles (SUV) and e-class sedans, the first of which will leave the assembly line in 2019.

Daimler has chosen Moscow as a center for its global expansion because of Russia`s ***strategic*** importance, potential for market growth and the popularity of Mercedes-Benz in the Russian premium car market.

Last year, Mercedes-Benz was the strongest-selling premium automobile brand in Russia, for the fourth year running. The best-selling models were the E-Class sedan and the SUVs.

"Russia has been one of our most important global markets for decades. We are the number one brand in the Russian premium segment. Now, we are expanding our global production network with a new factory," Markus Schaefer, Member of the Divisional Board of Mercedes-Benz Cars, Production and Supply Chain Management, told Sputnik Deutschland.

"The sanctions don`t disturb us; we are working here within the legal framework of what is possible. We believe that the Russian market will continue to develop and that the factory and its products have a successful future here in Russia."

In preparation for the expansion, last year Daimler opened a new after-sales service center 20km from the site of the new factory.

"The local production brings us closer to our customers in Russia and at the same time strengthens the global competitiveness of Mercedes-Benz Cars," Schaefer said.

Axel Bense is CEO of Mercedes-Benz Manufacturing RUS (MBMR), the company which manages production at the new site. He told Sputnik that the company decided to go ahead with the ***plans*** since the worst of Russia`s economic recession has passed.

"We have had this idea for a long time, but then the crisis started. Now, the time has come to build the plant together with our Russian partners. We have already begun construction work at the site and the first supports will be up in four to six seeks. According to the ***plan***, all the buildings should be built by the end of the year," Bense said.

Daimler joins several German companies, including the ***agricultural*** machinery manufacturer Claas and the consumer goods company Henkel, which have localized production in Russia since the government introduced its import substitution ***plan*** in September 2014.

The ***plan*** includes several measures to stimulate production in Russia, such as the Special Investment Contract. This offers tax breaks and legal guarantees for Russian companies who want to make products which aren`t already made in Russia, and for foreign manufacturers who are going to localize production in Russia.

The fall in the value of the ruble since 2014 has also made Russian production more competitive. In 2015, Volkswagen and Hyundai boosted production in their Russian factories of vehicles for export markets in the Middle East and the Far East, as a consequence of the weak ruble.

According to figures from the Russian analytical agency AVTOSTAT, the import substitution ***program*** has already led to a greater proportion of domestically-***produced*** cars sold on the Russian market. In the first four months of 2017, 60 percent of cars sold in Russia were manufactured domestically, up from 33 percent in 2010. 2017 Global Data Point.

**Load-Date:** June 23, 2017

**End of Document**



[***Who’s on the A-list for corporate water responsibility?***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R01-F0W1-JC6M-X3V1-00000-00&context=1516831)

FoodNavigator.com

November 8, 2017 Wednesday 1:53 PM GMT+1

Copyright 2017 William Reed Business Media Ltd. All Rights Reserved

**Section:** BUSINESS

**Length:** 630 words

**Byline:** Niamh Michail, , [*Niamh.Michail@wrbm.com*](mailto:Niamh.Michail@wrbm.com)

**Body**

Food and beverage industry boardrooms are increasingly engaging in water sustainability and investing in water security, says not-for-profit CDP. So which companies made CDP’s annual water A-list?

Non-profit environmental disclosure platform CDP (formerly known as the Carbon Disclosure Project) publishes the report to generate greater awareness among corporates about sustainable water usage.

A water-secure world is possible, CDP said, but to make this a reality, the resource must be recognised as a fundamental and ***strategic*** asset at the highest levels of corporate and city governance, the NGO said.

While there is still a vast amount of progress to be made, the 2017 publication, [*A Turning Tide: Tracking corporate action on water*](https://www.cdp.net/en/research/global-reports/global-water-report-2017)​​​, ​found a 193% increase in the number of companies making the A list.

In total 2,025 companies responded to CDP’s call for data, up from 1,432 last year. Together these firms represent nearly $20 trillion (€17.3tn) in market capitalisation.

CDP tracks companies’ progress by assessing how they fare at six parameters: transparency, governance, measuring and monitoring, risk assessment, targets and goals and supply chain engagement.

Increased investment

It praised a number of companies for beginning to invest money and time and effort into addressing the risks they face.

French dairy giant Danone got a mention for a $59 million (€51m) investment in projects aimed at securing sustainable access to key raw materials, such as milk in the Sub-Sahara and fruit in China. The projects focus on sustainable ***agriculture*** and farmer empowerment, said CDP.

CDP also pointed out German flavour and fragrance supplier Symrise’s decision to invest in the technology needed to up production of synthetic menthol – as opposed to water-intensive natural mint oils.

“By meeting the future demand for menthol with synthetic counterparts instead of water-intensive natural mints, Symrise reduces its indirect water footprint and impact on groundwater resources,” ​it said.

It also praised Chile’s Concha y Toro, the largest wine ***producer*** in Latin America, for committing to protect and conserve 10% of its some 3,200 hectares of native forest in Chile.

Companies are beginning to wake up to the real value of water, the NGO said.

This has been prompted by the realisation that high water costs can significantly impart the bottom line. The Kellogg Company has seen the cost of water at several Mexican factories rise by 300% since 2012.

“This directly impacted our operating costs in these locations,"​ Kellogg said. "These plants are expected to reduce water consumption through employee engagement, asset care ***programs*** and capital projects.”​

Meanwhile, South Africa’s largest food company Tiger Brands said it is reconsidering ***strategic*** opportunities as a direct result of rising water prices.

Internal monitoring

A small group of 53 companies (7%) are taking steps to establish internal values around water, so that the social and environmental costs and benefits are taken into account when pricing and decision making.

Nestlé, for instance, gives water a theoretical price ranging from around US$1 to US$5 per m3, depending on a factory’s physical risk score, generated by the Nestlé Combined Water Stress Index.

Beverage giant Diageo uses an internal total cost of water tool, which estimates the full cost of water at a given factory. The tool means each factory can anticipate and ***plan*** for price or tariff increases and supports the company’s overall goal to improve water use efficiency by 50% by 2020, it says.

According to CDP, the energy sector continues to drag its feet on transparency. Out of the 138 energy companies asked to disclose water data, 101 refused to, with Exxon Mobil and Royal Dutch Shell persistently failing to reveal water data to investors.

**Load-Date:** November 17, 2017

**End of Document**



[***Register of Commission documents:DRAFT REPORT on the Future of Food and Farming Document date: 2018-02-20 AGRI\_PR(2018)618154 Draft reports***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RRR-NPX1-F0YC-N2J3-00000-00&context=1516831)

Impact News Service

February 26, 2018 Monday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 4143 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

PR\1146033EN.docx PE618.154vv01-00 EN United in diversity EN European Parliament 2014-2019 Committee on ***Agriculture*** and Rural Development 2018/0000(INI) 20.2.2018 DRAFT REPORT on the future of food and farming (2018/0000(INI)) Committee on ***Agriculture*** and Rural Development Rapporteur: Herbert Dorfmann PE618.154vv01-00 2/11 PR\1146033EN.docx EN PR\_INI CONTENTS Page MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION ............................................ 3 EXPLANATORY STATEMENT .............................................................................................. 9 PR\1146033EN.docx 3/11 PE618.154vv01-00 EN MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION on the future of food and farming (2018/0000(INI)) The European Parliament, – having regard to the Commission communication of 29 November 2017 entitled ‘The Future of Food and Farming’ (COM(2017)0713), – having regard to Articles 38 and 39 of the Treaty on the Functioning of the European Union (TFEU) establishing the common ***agricultural*** policy and its objectives, – having regard to Regulation (EC) No 2017/2393 of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European ***Agricultural*** Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common ***agricultural*** policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common ***agricultural*** policy, (EU) No 1308/2013 establishing a common organisation of the markets in ***agricultural*** products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material1 (‘omnibus regulation’), – having regard to the European Court of Auditors Special reports Nos 16/2017 entitled ‘Rural Development ***Programming***: less complexity and more focus on results needed’ and 21/2017 entitled ‘Greening: a more complex income support scheme, not yet environmentally effective’, – having regard to the Commission reflexion paper of 28 June 2017 on the future of EU finances (COM(2017)0358), – having regard to the Cork 2.0 Declaration 2016, ‘A Better Life in Rural Areas’, issued at the European Conference on Rural Development, – having regard to the opinion of the European Economic and Social Committee on ‘A possible reshaping of the Common ***Agricultural*** Policy’2, – having regard to the opinion of the European Committee of the Regions entitled ‘The CAP after 2020’3, – having regard to the UN Sustainable Development Goals (SDGs), most of which are relevant to the common ***agricultural*** policy, – having regard to the Paris Agreement at the 2015 UN Climate Change Conference (COP21), and notably the commitments undertaken by the European Union as ‘nationally determined contributions’ (NDCs) in order to achieve the agreement’s 1 OJ L 350, 29.12.2017 p. 15. 2 OJ C 288, 31.8.2017, p. 10. 3 OJ C 342, 12.10.2017, p. 10. PE618.154vv01-00 4/11 PR\1146033EN.docx EN worldwide goals, – having regard to Rule 52 of its Rules of Procedure, – having regard to the report of the Committee on ***Agriculture*** and Rural Development (A8-0000/2018), A. whereas the Commission’s communication on the Future of Food and Farming acknowledges that the common ***agricultural*** policy (CAP) is the most integrated policy in the EU and is enabling the EU farming sector to respond to citizens’ demands regarding not only food security, safety, quality and sustainability, but also environmental care, climate change action and high animal welfare standards; B. whereas the European Union’s overarching objective of multifunctional ***agriculture***, driven by family farms, remains key to delivering the positive externalities and public goods that European citizens demand; C. whereas over the years the CAP has undergone regular re-***programming*** in line with new challenges, but another step in this continuous process of modernisation and simplification, building on previous reforms, is now necessary; D. whereas the new delivery model (NDM) is at the core of the Commission’s communication on the Future of Food and Farming, and is to be welcomed, provided that it ensures genuine simplification, not only at EU level but also at Member State and regional level, and flexibility for farmers, without adding new constraints on Member States and thus a new layer of complexity; E. whereas the CAP must play an important role in overcoming stagnation and volatility of farm incomes which, despite the concentration and intensification of production and increasing productivity, are still lower than in the rest of the economy; F. whereas over the last few years farmers have been confronted with increasing price volatility, which has reflected price fluctuations on global markets and uncertainty caused by macroeconomic developments, external policies, sanitary crises and more frequent extreme weather events in the EU; G. whereas it is essential to ensure a fair standard of living across regions and Member States, affordable prices for citizens and consumers, and access to quality food and healthy diets, while delivering on the commitments for environmental care, climate action, and animal and plant health and welfare; H. whereas there is a need for an updated and fairer system of payments, as in many Member States the current system of entitlements is based on historic benchmarks which are now almost 20 years old and which constitute an obstacle to generational renewal and hinder young farmers’ access to farmland, as new entrants do not possess entitlements and are thus at a disadvantage; I. whereas the emergence of new challenges, such as increasing global trade, is necessitating fair and sustainable conditions for the global exchange of goods and services, within the framework of the WTO and in accordance with existing EU social, PR\1146033EN.docx 5/11 PE618.154vv01-00 EN economic and environmental standards, which should be promoted; J. whereas while the focus on research and development for both product and process innovation is to be welcomed, more must be done to translate the results of research into farming practice, facilitated by EU-wide ***agricultural*** extension services; K. whereas the ***agriculture*** and food sector must be incentivised to continue to contribute to the environmental care and climate action objectives of the EU set out in international agreements such as the Paris Agreement and the UN SDGs; L. whereas the European Court of Auditors has underlined the fact that the green payments introduced as part of the 2013 reform create added complexity and bureaucracy, are difficult to understand, and fail to significantly enhance the CAP’s environmental and climate performance; M. whereas the objectives of the Cork 2.0 Declaration for a Better Life in Rural Areas stipulate vibrant rural areas, multi-functionality, biodiversity in and outside ***agriculture***, rare animal breeds and conservation crops, as well as organic ***agriculture***, less-favoured areas and commitments in the context of Natura 2000; N. whereas it is essential to ensure fair competition within the single market within the sector and with other players in the food chain, both up and downstream, and to further strengthen incentives to prevent crises with active management tools to be deployed at sectoral level and by public authorities; O. whereas the new challenges for European ***agriculture*** within the EU’s political priorities, as stated in the Commission’s reflection paper on the future of EU finances, require the next multiannual financial framework (MFF) to provide sufficient public funds to cover both existing and new challenges; P. whereas any changes to the current CAP must be introduced in such a way as to ensure stability for the sector and security of ***planning*** for farmers by means of adequate transition periods and measures; Q. whereas Parliament must play a comprehensive role in setting a clear policy framework to maintain common ambition at European level and democratic debate on the ***strategic*** issues which have an impact on the everyday lives of all citizens when it comes to the use of natural resources, the quality of our food and the modernisation of ***agricultural*** practices; A new relationship between the European Union, the Member States, regions and farmers 1. Welcomes the intention to simplify and modernise the CAP, but emphasises that the integrity of the single market and a truly common policy must be the overriding priorities of reform; 2. Points out that even the flexibility that Member States currently enjoy in defining basic rules may risk distorting competition within the single market and granting unequal access to support for famers in different Member States or even in different regions; PE618.154vv01-00 6/11 PR\1146033EN.docx EN 3. Considers that subsidiarity for Member States should only be granted within a common set of rules and tools agreed at EU level as part of a uniform approach to all ***programming*** efforts and eligibility criteria, should cover both of the CAP’s pillars and ensure, in particular, a European approach in Pillar I and thus a level playing field; 4. Reminds the Commission of the need to fully respect the distribution of powers within each Member State, often set out in their constitutions, particularly in terms of respecting the legal competences of the EU’s regions when implementing policies; 5. Welcomes the efforts of the Commission to establish ***programme*** design, implementation and control of an output-based approach in order to foster performance rather than compliance, while ensuring adequate monitoring via clearly defined, solid and measurable indicators at EU level, including an appropriate system of quality control and penalties; 6. Calls on the Commission to ensure that financial and performance control and audit functions are performed to the same standard and under the same criteria across all Member States, irrespective of enhanced flexibility for Member States in ***programme*** design and management, and with a view, in particular, to ensuring a timely disbursement of funds across Member States to all eligible famers; 7. Calls on the Commission to grant more flexibility to Member States and regions within the framework of the ***agricultural*** de minimis rules; A smart and efficient sector – delivering for citizens, rural areas and the environment 8. Considers it necessary to maintain the current two-pillared architecture, particularly Pillar I, which is dedicated to income support for farmers; considers it necessary, at the same time, to compensate for the provision of public goods on the basis of uniform criteria, while allowing Member States to take specific approaches to reflect local conditions; 9. Considers that the current CAP architecture can only deliver its objectives if sufficiently funded; calls, therefore, for the CAP budget to be maintained in the next MFF at at least the current level in order to achieve the ambitions of a revised and efficient CAP beyond 2020; 10. Believes that more targeted support for family farms is necessary and can be achieved by introducing a compulsory higher support rate for small farms; considers, moreover, that support for larger farms should be digressive, reflecting economies of scale, with the possibility for capping to be decided by the Member States; 11. Underlines the necessity of identifying the key elements of a transparent and objective system of penalties and incentives for determining farmers’ eligibility for public funding, which should consist of voluntary and mandatory measures; 12. Calls for the existing system for calculating direct payments in Pillar I, which is often based on historic entitlements, to be replaced by an EU-wide uniform method of calculating payments, in order to make the system simpler and more transparent; PR\1146033EN.docx 7/11 PE618.154vv01-00 EN 13. Stresses the need for a fair distribution of direct payments between Member States, which must take into account socio-economic differences, different production costs and the amounts received by Member States under Pillar II; 14. Believes that, provided that a level playing field in the single market can be guaranteed, voluntary coupled support (VCS) payments should be maintained, as a tool to counteract specific difficulties, particularly those arising from the structural competitive disadvantage of less-favoured and mountainous regions, as well as those which are more temporary in nature and arise from a shift away from the old entitlement scheme, for example; 15. Recalls that generational renewal is a challenge faced by famers in many Member States and that each national strategy must therefore address this issue through a comprehensive approach, including top-ups in Pillar I and targeted measures in Pillar II, as well as by means of new financial instruments and national measures, in order to incentivise famers to pass on their farming operations; 16. Underlines the importance of rural development, including the LEADER initiative, in supporting multi-functional ***agriculture*** and in fostering additional entrepreneurial activities and opportunities, in order to generate income from agri-tourism, and to secure community-supported ***agriculture*** and the provision of social services in rural areas; 17. Calls on the Commission to introduce a new and comprehensive legal framework which allows the integration of the various types of environmental actions at present, such as cross compliance, greening and the good ***agricultural*** and environmental conditions (GAEC) standards, as well as agri-environment measures (AEMs) for rural development, so that farmers can deliver effectively and with less bureaucracy on environmental care, biodiversity and climate action, while ensuring that Member States have adequate control and taking into account local conditions; 18. Believes that this new framework should be underpinned by the possible allocation of a minimum amount of the total available budget to AEMs, including organic ***agriculture***, support for biodiversity and genetic diversity in animals and plants; 19. Calls on the Commission to foster innovation and modernisation in ***agriculture*** by supporting training and ***agricultural*** extension as a pre-condition in ***programme*** design and implementation in all Member States, while fostering the transfer of know-how and the exchange of best practice models between Member States; A strong position for farmers in the global food system 20. Calls on the Commission to maintain the current common market organisation (CMO) framework, including the individual sector ***plans*** (wine, and fruit and vegetables) and the EU school fruit, vegetables and milk scheme, with the ultimate aim of strengthening the sustainability and competiveness of each sector while enabling access for all farmers; 21. Insists on the critical need for the future CAP to support farmers more efficiently in order to cope with price and income volatility due to climate, health and market risks, PE618.154vv01-00 8/11 PR\1146033EN.docx EN by creating additional incentives for flexible risk management and stabilisation tools while ensuring broad access; 22. Insists on the necessity of strengthening the position of ***producers*** within the food supply chain, in particular by guaranteeing them a fair share of the added value, by fostering inter-sectoral cooperation, and strengthening transparency in the markets and crisis prevention; 23. Calls on the Commission to allow and indeed encourage – particularly in the dairy sector – active crisis management instruments, such as voluntary sector agreements to manage supply in quantitative terms among ***producers***, ***producers*** organisations and processors, and to examine the possibility of extending such instruments to other sectors; 24. Calls for an in-depth review of the current crisis reserve mechanism in order to create an independent financial instrument exempt from the budgetary principle of annuality, so as to permit budgetary transfers from one year to the next, thereby enabling quick and effective responses to crisis situations, including those involving animal and plant health, disease-related issues and food safety; 25. Believes that while trade agreements are beneficial to the EU ***agricultural*** sector overall, and necessary for strengthening the EU’s position on the global ***agricultural*** market, they also pose a number of challenges that require reinforced safeguard mechanisms to ensure a level playing field between farmers in the EU and in the rest of the world; 26. Calls for initiatives to promote EU production, safety and environmental standards and quality production schemes, through both labelling and marketing activities on internal and third-country markets; A transparent decision process for a solid CAP proposal 2020-2027 27. Stresses that Parliament and the Council should, via the co-decision procedure, set the general objectives, measures and financial allocations, and determine the level of flexibility needed to enable the Member States to cope with their specificities and needs in line with the single market; 28. Regrets the fact that the whole process of the CAP post-2020 ***programming*** exercise – consultation, communication, impact assessment and legislative proposals – is starting with a significant delay as the end of the eighth legislature approaches, jeopardising the possibility of a final agreement being reached before the European elections; 29. Calls on the Commission to propose, before the application of the NDM, a transitional period long enough to ensure a soft landing and to avoid any delay in farmers’ annual payments and in the implementation of rural development ***programmes***; o o o 30. Instructs its President to forward this resolution to the Council and the Commission.

PR\1146033EN.docx 9/11 PE618.154vv01-00 EN EXPLANATORY STATEMENT On 29 November 2017 the Commission adopted its Communication on modernising and simplifying the Common ***Agricultural*** Policy (CAP) under the title ‘The Future of Food and Farming’. (COM(2017)713final). This Communication has already been announced by President Juncker in 2016, it is included in the Commission Work ***Programme*** 2017 and was originally foreseen for spring 2017. The 26 pages of text kick-off the multi-stage process by which the 27 EU’s Institutions eventually have to agree on the legislation determining the CAP post-2020. The Communication thus aims to provide both basis and framework of the discussion between institutional and individual, public and private stakeholders across the EU27. It will be followed by legislative proposals as legal basis for the next ***programming*** period 2020-2027 and accompanied by an Impact Assessment comprising the relevant evidence-base. The proposals will be published after the adoption of the Multi-annual Financial Framework (MFF) which is foreseen for May 2018. The original purpose of the Communication is to - present the main EU ***agricultural*** challenges (food explicitly not mentioned); - highlight the contribution of the ***agriculture*** sector to the ten Commission’s priorities and to the Sustainable Development Goals (SDG) in synergy with other EU policies; - specify policy priorities for the future CAP enhancing its EU added value; - explore operational proposals for a simpler CAP, improved governance, better reflection of the diversity in EU ***agriculture***, increased subsidiarity, limiting administrative burden for beneficiaries and strengthening the focus on results. The Communication also sets out three key objectives for ***agriculture*** in contrast to the original Treaty-based objectives: 1. Fostering a smart and resilient ***agricultural*** sector; 2. Bolstering environmental care and climate action; 3. Strengthening the socio-economic fabric of rural areas. A first step in the CAP post-2020 ***programming*** process was a broad on-line public consultation which received in excess of 320,000 online responses from all EU Member States with the vast majority submitted by individuals as well as over 1400 position papers. The second step is the elaboration of the comprehensive Impact Assessment (IA) aiming to draw lessons from the implementation of the 2013-2020 ***programming*** period and specifically the aims for a “greener, simpler, fairer” CAP. Consequently, while reflecting broad ideas of the ongoing public debate, the IA will develop a set of policy options for development including an assessment how the policy objectives can best be met, including: - Option 1 (baseline) will assess the impact of the CAP remaining as it currently stands, including the recently adopted Omnibus proposal. - Option 2 will assess the impact of a “no CAP” scenario to test the consequences of the absence of policy ***intervention*** with respect to the economic, environmental and social EU-added value of the CAP. - Option 3 sees Member States/regions ***programming*** CAP operations against EU priorities based on identified needs. The focus shifts to risk management, investments PE618.154vv01-00 10/11 PR\1146033EN.docx EN in restructuring and business development in ***agriculture*** and rural SMEs, climate and environment services and access to innovation, knowledge and ICT. - Option 4 redefines the division of tasks between EU-, MS- and farm-level to enhance the income safety-net with better synergies between direct support including area payments and risk management, to better target climate and environmental action, and to simplify and modernise controls towards performance-based outcomes. - Option 5 envisages strong redistribution of direct support towards small and environmentally friendly farms, and promotes short circuits. The evidence base of the Communication and the IA is the following: - DG AGRIs own Common Evaluation and Monitoring Framework (CEMF) for measuring CAP performance based on Member states indicators; - EU-wide targets and indicators agreed for monitoring the SDGs (Communication “European Action for Sustainability” COM (2016) 739 final); - EU27 Member states annual implementation reports will provide data on progress towards targets and corresponding budget envelopes; - DG AGRI regular evaluation studies on CAP general 2013 objectives and input for the Outlook conference in late 2017; From the wider European context, the main driver of CAP reform is the budget issue: The CAP continues to be the largest single spending item in the EU budget, accounting for around 38% of the total expenditure. In the next MFF, the EU needs to address significant new challenges, such as migration, security and growth while the UKs departure will reduce the available budget yet there is great reluctance among Member States to increase the overall size of the budget (1% GNI). For public and private stakeholders the key issues raised in the Communication are therefore: - National Strategy - design, adoption and implementation: Notably Governance structure (legal aspect such as relationship regions-central state, transparency and citizen participation), internal coherence (consistency with rural development ***programmes*** and sector ***plans***), external coherence (e.g European Structural and Investment Funds); - Delivery model - output-orientated and performance-based funding ***programs***: Control and audit (EU and national competencies), indicators (availability and definition, quality control, penalties), management models (simplified cost options), equal approach across Member states (eligibility, mandatory/voluntary, controls); - Environmental and climate action - integrated approach to compensating environmental services by merging current CAP greening, cross compliance and good ***agriculture*** practice as well as rural development measures to allow for compensation of public goods including climate action and human and animal and plant health and welfare; - Financial allocation - EU-support ***programmes***: Transition models for reduced/targeted funding, differentiation between Member states (external convergence) based on objective criteria (see ESIF), co-funding by regions / Member states, entitlements reflecting socio-economic conditions within Members states regions (internal convergence); Regarding the forward perspective, it is relevant to recall that the last CAP ***programming*** 2013-2020 exercise took two years from the initial publication of the Commission proposals PR\1146033EN.docx 11/11 PE618.154vv01-00 EN (June 2011) as part of the Multiannual Financial Framework (MFF) proposal 2014-2020 to political agreement (June 2013) and the final legislative approval (in December 2013) which necessitated transitional measures across sectors (until 2015). However, this did neither coincide with the end of the Commissions mandate nor the EPs legislative period.

**Load-Date:** February 27, 2018

**End of Document**



[***A Caribbean strategy to cope with climate change***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PJP-M1T1-JDG9-Y214-00000-00&context=1516831)

Impact News Service

September 21, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 1403 words

**Body**

Paris: United Nations Educational, Scientific and Cultural Organization has issued the following news release:

 The Caribbean is the most tourist-intensive region in the world, according to the World Travel and Tourism Council. This makes Caribbean economies particularly vulnerable to the vagaries of Mother Nature. Most Caricom countries(1) have at least a 10% chance of being struck by a hurricane each year, according to a 2013 study by the International Monetary Fund (IMF) that is cited by the UNESCO Science Report. The probability is even as high as 24% in Jamaica and 20% in the Bahamas. Even moderate storms can reduce growth by about 0.5% of GDP. For example, winds that were well beneath hurricane strength took a toll on the small economies of St Lucia, Dominica and St Vincent and the Grenadines in December 2013.

The World Travel and Tourism Council predicts that the Caribbean will become the most at-risk tourist destination in the world between 2025 and 2050. In 2015, the UNESCO Science Report observed that ‘the region would be hard-pressed to deal with a major meteorological disaster,’ and urged it to ‘take climate change adaption more seriously.’

Caricom has mandated the Caribbean Community Climate Change Centre to mainstream climate change adaptation strategies into the sustainable development agendas of Caricom states and to help them switch to renewable and cleaner energy sources and reduce their vulnerability to the impact of a changing climate.

The Caribbean Community Climate Change Centre has ***produced*** an implementation ***plan*** for 2011–2021 and undertaken a number of assessments. This work has been supported by the region’s specialists, who have ***produced*** models for climate change and mitigation processes in Caribbean states and who play a major advisory role to the divisions in ministries responsible for climate change, such as Jamaica’s appropriately expanded Ministry of Water, Land, Environment and Climate Change.

High energy costs contributing to vulnerability

A vulnerability to hurricanes and overdependence on tourism are not the only challenges Caricom countries face. According to the UNESCO Science Report, high energy costs are also having a negative impact on the economic competitiveness of Caricom countries and the cost of living. In 2008, over US$ 14 billion was spent on importing fossil fuels, which provide over 90% of energy consumed in Caricom countries, according to estimates.

In 2013, Caricom approved its Energy Policy and the accompanying Caricom Sustainable Energy Roadmap and Strategy (C-SERMS). Under this policy, renewable energy sources are to contribute 20% to the total electricity generation mix in member states by 2017, 28% by 2022 and 47% by 2027. A similar policy instrument is being developed for the transportation sector.

In July 2013, stakeholders participated in a resource mobilization forum for the first phase of C-SERMS. The forum was hosted by the Caricom Secretariat, with support from the Inter-American Development Bank (IADB) and the German Agency for International Cooperation (GIZ).

Considerable potential for renewable energy

The IADB has since provided the University of the West Indies (UWI) with a grant of over US$ 600,000 to develop capacity in sustainable energy technologies across the region. One area of interest is the utilization of information and communication technologies (ICTs) in managing energy and training in sustainable energy technologies, with an emphasis on enhancing the involvement of women. The participation of energy giants such as General Electric, Philips and the Scottish Development Corporation augurs well for technology transfer.

The region has considerable potential for hydro-electric, geothermal, wind and solar energy which, once significantly exploited (as opposed to sporadically, at present), could make a huge difference to the energy resilience of Caricom countries. Some of these resources are being exploited to a limited extent.

The machinery needed to generate fossil-fuel-based electricity is obsolete, inefficient and expensive to run. Jamaica has approved construction of new gas-fired electricity generation plants, to deal with this problem.

The efforts of Caricom countries to adopt sustainable energy technologies are contributing to implementation of the ***Programme*** of Action for the Sustainable Development of Small Island Developing States. First adopted in Barbados in 1994, this ***programme*** was updated in Mauritius in 2005 then again in Samoa in 2014.

A ***Plan*** to nurture innovation and creativity

Like the small island developing states of the Pacific, the countries of the Caribbean are embracing ‘regionalism’ to reduce their vulnerability to economic and environmental shocks. As Ralph Consalves, Prime Minister of Saint Vincent and the Grenadines, put it at Caricom’s 40th anniversary in 2013, ‘it is evident to all responsible persons of discernment that our region would find it more difficult by far to address its immense current and prospective challenges, unless its governments and peoples embrace strongly a more mature, more profound regionalism’.

One of the central aims of the first ***Strategic*** ***Plan*** for the Caribbean Community, which covers the period 2015–2019, is to reinforce socio-economic, technological and environmental resilience of Caricom states. The overarching objective is twofold: to stimulate theproductive capability of domestic firms and correct the current mismatch between training and the specialized knowledge and skills required by the market, in order to drive growth and combat rising levels of unemployment among the young, in particular. The ***plan*** outlines strategies for nurturing innovation and creativity, entrepreneurship, digital literacy and inclusivenessand for making optimum use of available resources.

With the exception of Guyana, Suriname and Trinidad and Tobago, which have significant hydrocarbon or mineral reserves, most states are small with too limited natural resources to support rapid economic development.

They will thus need to look elsewhere for wealth creation. The ***Strategic*** ***Plan*** focuses on the following areas: creative, manufacturing and service industries, with an initial focus on tourism; natural resources and value-added products; ***agriculture***, fisheries and export development, to reduce dependence on food imports and foster sustainable fisheries; resource mobilization; ICTs; air and maritime transport infrastructure and services; and, last but not least, energy efficiency, diversification and cost reduction.

The two key enablers identified by the ***Strategic*** ***Plan*** for improving the Caribbean’s resilience are a common foreign policy, in order to mobilize resources effectively, and research and innovation.

Caricom governments currently commit little of their resources to science. The sluggish economic growth observed in the Caribbean in recent years offers some explanation but even the more affluent Trinidad and Tobago spent just 0.05% of GDP on research in 2012. When annual economic growth hit 8% in 2004, Trinidad and Tobago still devoted just 0.11% of GDP to R&D. Thus, poor economic performance alone cannot explain the extremely low commitment to science of Caricom governments.

The ***Strategic*** ***Plan*** for the Caribbean Community: 2015–2019 proposes using advocacy to mobilize funding for business research from state and private sources, creating an enabling legislative environment for research and innovation, identifying opportunities for cooperation and devising national school-based ***programmes*** that drive, enable and reward research and innovation.

Importantly, the collective aspirations captured in the ***Strategic*** ***Plan*** to 2019 are similar to those of major national ***plans***. For example, Trinidad and Tobago’s Vision 2020 (2002), Jamaica’s Vision 2030 (2009) and the ***Strategic*** ***Plan*** of Barbados for 2005–2025 all share a common aspiration to achieve socio-economic development, security, resilience to environmental shocks and an engagement in science, technology and innovation to improve the standard of living. Like the ***Strategic*** ***Plan*** for the Caribbean Community, these national ***plans*** accord central importance to science, technology and innovation in realizing these aspirations.

Caricom countries(1): Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, Trinidad and Tobago.

**Load-Date:** September 25, 2017

**End of Document**



[***Prairie Mining Limited 2017 Annual Report***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PKR-24P1-JCXB-21KK-00000-00&context=1516831)

London Stock Exchange Aggregated Regulatory News Service (ARNS)

September 29, 2017 Friday 9:05 AM GMT

Copyright 2017 London Stock Exchange All Rights Reserved



**Length:** 1527 words

**Body**

RNS Number : 2206S

Prairie Mining Limited

29 September 2017

PRAIRIE MINING LIMITED

2017

ANNUAL REPORT | ROCZNY RAPORT

ABN 23 008 677 852

DIRECTORS: AUDITOR:

Mr Ian Middlemas Chairman Poland:

Mr Benjamin Stoikovich Ernst & Young Audyt Polska

Director and CEO sp. z. o.o.

Ms Carmel Daniele Non-Executive Australia:

Director Ernst & Young - Perth

Mr Thomas Todd Non-Executive

Director BANKERS:

Mr Mark Pearce Non-Executive Poland:

Director Bank Zachodni WBK S.A.

Mr Todd Hannigan Alternate - Santander Group

Director Australia:

Australia and New Zealand

Banking Group Ltd

Mr Dylan Browne Company

Secretary SHARE REGISTRIES:

Poland:

PRINCIPAL OFFICES: Komisja Nadzoru Finansowego

PD Co sp. z. o.o. (Warsaw): (KNF)

Ul. Wspolna, 35 lok. 4 Plac Powsta?ców

00-519 Warsaw Warszawy 1, skr. poczt.

419

00-950 Warszawa

Karbonia S.A. (Czerwionka Tel: Tel: +48 22 262 50

- Leszczyny): 00

Ul. 3 Maja 44, United Kingdom:

44-230 Czerwionka - Leszczyny Computershare Investor

Services PLC

London: The Pavilions, Bridgewater

Unit 3C, 38 Jermyn Street Road

London SW1Y 6DN Bristol BS99 6ZZ

United Kingdom Tel: +44 370 702 0000

Australia:

Australia (Registered Office): Computershare Investor

Level 9, BGC Centre Services Pty Ltd

28 The Esplanade Level 11, 172 St Georges

Perth WA 6000 Terrace

Tel: +61 8 9322 6322 Perth WA 6000

Fax: +61 8 9322 6558 Tel: +61 8 9323 2000

SOLICITORS: STOCK EXCHANGE LISTINGS:

Poland: Poland:

DLA Piper Wiater sp.k. Warsaw Stock Exchange -

United Kingdom: GPW Code: PDZ

DLA Piper UK LLP United Kingdom:

Australia: London Stock Exchange (Main

DLA Piper Australia Board) - LSE Code: PDZ

Australia:

Australian Securities

Exchange - ASX Code: PDZ

CONTENTS | ZAWARTO

Directors' Report

Consolidated Statement of Profit or

Loss and other Comprehensive Income

Consolidated Statement of Financial

Position

Consolidated Statement of Changes in

Equity

Consolidated Statement of Cash Flows

The following sections (as well as all illustrations

and figures) are available in the full version of

the 2017 Annual Report on the Company's website

at [*www.pdz.com.au*](http://www.pdz.com.au)

Auditor's Independence Declaration

Notes to and Forming Part of the Financial

Statements

Directors' Declaration

Independent Auditor's Report

Corporate Governance

Mineral Resources and Ore Reserves

Statement

ASX Additional Information

The Company also advises that an Appendix 4G (Key to Disclosures: Corporate Governance Council Principles and Recommendations) and 2017 Corporate Governance Statement have been released today and are also available on the Company's website.

The Directors of Prairie Mining Limited present their report on the Consolidated Entity consisting of Prairie Mining Limited ("Company" or "Prairie") and the entities it controlled at the end of, or during, the year ended 30 June 2017 ("Consolidated Entity" or "Group").

OPERATING AND FINANCIAL REVIEW

Operations

Highlights during, and since the end of, the financial year end include:

Debiensko Mine (Premium Hard Coking Coal)

-- Acquired the Debiensko Mine ("Debiensko"), a fully permitted, hard coking coal project located in the Upper Silesian Coal Basin in Poland.

-- Transformational acquisition marking Prairie's entry into the hard coking coal sector and creating a multi-project coking coal development company based in Poland.

-- Scoping Study confirms potential for Debiensko to be a globally significant hard coking coal project with robust economics positioning the Company to become a large scale, low cost and long life premium hard coking coal supplier.

-- Independent marketing study confirmed cost of delivery of only US$4.60 per tonne compared to costs of imported hard coking coal of up to US$37.70 per tonne.

-- Debiensko has exceptionally low capital intensity of US$197 per tonne of annual saleable production capacity compared to an industry average of over US$401 per tonne.

-- With Debiensko now development ready, Prairie will focus on ***planning*** the mine site's redevelopment ***program***, including:

Ø preparation for an in-fill drill ***program*** to increase JORC measured and indicated resources.

Ø completion of a re-engineered mine ***plan*** to ***produce*** a feasibility study to international standards with a focus on near term production at Debiensko.

Ø advancing discussions with regional steel makers and coke ***producers*** for future coking coal sales and offtake.

-- Completed a Maiden Coal Resource Estimate ("CRE") of 301 million tonnes of hard coking coal at Debiensko.

-- Debiensko coking coal is expected to enjoy strong demand from European steelmakers, with substantial netback pricing advantages given proximity to regional customers.

Jan Karski Mine (Semi-Soft Coking Coal)

-- Recent coal quality analysis re-affirms the Jan Karski Mine's ("Jan Karski") potential to ***produce*** high value ultra-low ash semi-soft coking coal.

-- Independent assessment predicts that Jan Karski semi-soft coking coal would potentially realise a 10% premium to international benchmark prices.

-- Prairie signed a landmark ***Strategic*** Co-operation Agreement with China Coal to advance the financing and construction of Jan Karski.

-- Since then China Coal has made substantial progress on the Bankable Feasibility Study ("BFS"). Continued discussions were held with Chinese financing institutions which will progress further with completion of the BFS expected in the coming months.

-- Spatial development ***plan*** approved at Jan Karski meaning the rezoning of 56 hectares of ***agricultural*** land for industrial use is complete allowing for construction of a mine site, shafts and associated surface infrastructure at Jan Karski.

-- Jan Karski is now one of the most advanced new large scale coking coal projects in the Northern Hemisphere.

-- Development activities have commenced with the appointment of a leading contractor to design and supervise the bulk power supply connections for the project, including power lines and substations.

Corporate

-- At the date of this report, cash of $18 million, placing the Company in an excellent position to complete its ***planned*** development activities at Debiensko and Jan Karski.

-- Successful placing of 11.5 million new ordinary shares during the financial year to a number of UK based high quality institutional investors to raise approximately GBP3.2 million (A$5.5 million) before costs.

-- Subsequent to the end of the financial year, Prairie and CD Capital completed an additional investment of US$2.0 million (A$2.6 million) in the form of non-redeemable, non-interest-bearing convertible loan notes ("Loan Note 2").

Debiensko Mine

Debiensko, is a fully permitted, hard coking coal project located in the Upper Silesian Coal Basin in the south west of the Republic of Poland. It is approximately 40 km from the city of Katowice and 40 km from the Czech Republic.

Debiensko is bordered by the Knurow-Szczyglowice Mine in the north west and the Budryk Mine in the north east, both owned and operated by Jastrz bska Spó ka W glowa SA ("JSW"), Europe's leading ***producer*** of hard coking coal.

The Debiensko mine was originally operated by various Polish mining companies until 2000 when mining operations were terminated due to a major government led restructuring of the coal sector caused by a downturn in global coal prices. In early 2006 New World Resources Plc ("NWR") acquired Debiensko and commenced ***planning*** for Debiensko to comply with Polish mining standards, with the aim of accessing and mining hard coking coal seams. In 2008, the Minister of Environment of Poland ("MoE") granted a 50-year mine license for Debiensko.

In October 2016, Prairie acquired Debiensko with a view that a revised development approach would potentially allow for the early mining of profitable premium hard coking coal seams, whilst minimising upfront capital costs. Prairie has proven expertise in defining commercially robust projects and applying international standards in Poland. The fact that Debiensko is a former operating mine and its proximity to two neighbouring coking coal ***producers*** in the same geological setting, reaffirms the significant potential to successfully bring Debiensko back into operation.

Scoping Study Results

In March 2017, Prairie announced the results of a scoping study ("Scoping Study") in accordance with the JORC Code 2012 and completed by independent consultants Royal HaskoningDHV given their extensive and recent track record of successful involvement in European underground coal projects in the UK, Kazakhstan and Poland, including Prairie's Jan Karski mine.

**Load-Date:** September 29, 2017

**End of Document**



[***Register of Commission documents: Draft Commission Implementing Decision on the 2017 Annual Action Programme in favour of Cuba Document date: 2017-07-04 COM-AC\_DR(2017)D052017-01(ANN01) Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PDW-MHD1-JDG9-Y374-00000-00&context=1516831)

Impact News Service

September 5, 2017 Tuesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 13836 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

[1] EN ANNEX to the Commission Implementing Decision on the 2017 Annual Action ***Programme*** in favour of Cuba Action Document for 'Support to Cuba's Energy Policy' INFORMATION FOR POTENTIAL GRANT APPLICANTS WORK ***PROGRAMME*** FOR GRANTS This document constitutes the work ***programme*** for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.4.1 1. Title/basic act/ CRIS number Support to Cuba's Energy Policy CRIS number: 2016/040-077 financed under the Development Cooperation Instrument 2. Zone benefiting from the action/ location Cuba 3. ***Programming*** document Multiannual Indicative ***Programme*** (MIP) for Cuba 2014-2020 4. Sector of concentration/ thematic area Sector 2: Environment and climate change: Support for a better use of key natural resources for sustainable development DEV. Aid: YES 5. Amounts concerned Total amount of EU budget contribution: EUR 18,000,000 Total estimated cost: EUR 18,600,000 FIAPP contribution: EUR 300,000 Indicative Third Party Contribution from the call for proposals: EUR 300,000 [2] 6. Aid modality(ies) and implementation modality(ies) Project Modality Direct management: • Grants/ call for proposals • Procurement of services for Audit and Evaluation Indirect management with: • EU Member State Agency • UN Agencies 7 a) DAC code(s) Main DAC code: 230 – 100 % 23110 – 50 % 23183 – 25 % 23210 – 25 % b) Main Delivery Channel Channel 1: 10000 – Public Sector Institutions (Third country government – Delegation cooperation) Channel 2: 41000 – United Nations Agency Channel 3: 51000 – University 8. Markers (from CRIS DAC form) General policy objective Not targeted Significant objective Main objective Participation development/good governance ☐ x ☐ Aid to environment ☐ ☐ x Gender equality (including Women in Development) x ☐ ☐ Trade Development x ☐ ☐ Reproductive, Maternal, New born and child health x ☐ ☐ RIO Convention markers Not targeted Significant objective Main objective Biological diversity x ☐ ☐ Combat desertification x ☐ ☐ Climate change mitigation ☐ ☐ x Climate change adaptation x ☐ ☐ 9. Global Public Goods and Challenges (GPGC) thematic flagships N/A [3] SUMMARY Since 2008, Cuba has been undergoing a political and economic transformation process.

In this context, the Cuban government has engaged in a very ambitious ***plan*** to modify its energy matrix setting itself the goal of generating 24 % of its electricity in 2030 through renewable energy (compared to approx. 4.3 % of electricity generated by renewable energy sources in 2013), engendering high interest from investors throughout the world, especially in the current period after the signature of the EU-Cuba Political Dialogue and Cooperation Agreement. This EU Action is designed to make a meaningful contribution to Cuba's energy sector giving equal attention to both, renewable energies and energy efficiency targets. In line with the EU’s Agenda for Change1 and EU-Cuba priorities in the framework of the Multi-annual Indicative ***Programme*** 2014-20202, the Action is expected to support the Cuban government in the efficient and sustainable management of its energy resources. This objective will be reached by sharing best practices and providing training to Cuban key actors by experts with 'hands on' experience on related energy policy implementation in the sectors of renewable energy and energy efficiency, and by supporting the government in the design and execution of its strategy for attracting international investment in the energy sector. In this context, the proposed Action aims at the following specific objectives: - Support the effective implementation of the 'Policy for the perspective development of Renewable Sources and the Efficient Use of Energy' and its Regulatory framework. - Facilitate foreign investment in the sectors of Renewable Energy and Energy Efficiency as well as the access to international cooperation funds. - Support the implementation of the ***Programme*** for Energy Management and Conservation, including Energy efficiency. - Support local development enhancing the access of local communities to renewable energy, while encouraging efficient energy consumption. The Action is expected to start at the end of 2017 with a duration of 60 months. The project will finalise in 2022. 1. CONTEXT 1.1 Country Context The Republic of Cuba is the largest Caribbean island with a population of over 11.38 million inhabitants. Cuba´s nickel reserves are estimated at 5.5 million metric tons (the 5th largest in the world). The island accounts also for 8 % of the world’s cobalt production.3 The export of these commodities, of sugar and its by-products like rum, of tobacco and cigars as well as the increasing tourism are Cuba's main sources of the urgently needed foreign currencies. Despite its current economic and social challenges, Cuba ranked 67th out of 188 countries in the global 2014 Human Development Index (HDI) ranking. Cuba's HDI is given with 0.769, the average HDI in the 1 Chapter 3.3 of the Agenda for Change 2 [*https://ec.europa.eu/europeaid/sites/devco/files/mip-cuba-2014-2020\_en.pdf*](https://ec.europa.eu/europeaid/sites/devco/files/mip-cuba-2014-2020_en.pdf) 3   [*http://investorintel.com/gold-precious-metals-intel/cracking-open-cuba-next-vietnam*](http://investorintel.com/gold-precious-metals-intel/cracking-open-cuba-next-vietnam) 2 All data quoted from: UNDP Human Development Report, 2015 3 UNDP Human Development Report, 2015. [4] LAC region is 0.748 The GNI per capita is USD 7,301 per capita, while it is USD 14,242 per capita in the LAC region2. Cuba is a country with a low demographic growth, low levels of fertility and mortality (especially infant mortality: 4.2 % per 1,000 births), high life expectancy (79.4 years, LAC region: 75 years), a consequently aging population (18 % aged 60 and over) and a negative external migration balance. Under President Raúl Castro Ruz (since 2008), Cuba is undergoing a slow, but constant transformation process, seeking to uphold its political system and the achievements of the revolution, such as universal free healthcare and education. Cuba has the worldwide highest ratio of medical doctors per patients, has with 97 % one of the highest rate of alphabets worldwide and the mean time of schooling is high with 11.5 years compared to an average of 8.2 years in the LAC region.3 One of the key economic sectors due to be modernised and restructured is the energy sector. Cuba needs urgently to reduce its high dependency on imported fossil fuels for electricity generation and safeguard domestic financial resources. This is one of the core problems that hamper further social and economic development and that the government has to solve with urgency. The government is increasingly aware of the fact that the energy problem can only be solved by dealing with both sides of the same coin: the usage of its own indigenous renewable energy sources on one side and, in parallel, by introducing and applying energy efficient technologies and change the way energy is being utilised in all sectors of the society. While the 'Política para el Desarrollo Perspectivo de las Fuentes Renovables y el Uso Eficiente de la Energía' or Policy for the perspective development of Renewable Sources and the Efficient Use of Energy (June 2014) is not going to be published4, the regulatory framework for the energy sector is already formulated and it is expected to be approved and published in the Official Journal by the end of 2017. The nine principles of this policy (November 2015) are:5 1. Meet the energy demand and consumption as determined in the Cuban economic and social development ***plan*** up to 2030 (draft adopted in 2016). 2. Ensure energy supply security in the short, medium and long-term perspective. 3. Ensure a socially, economically, environmentally and sustainably compatible national energy mix that reduces Cuba's dependency from imported fossil fuels. 4. Support Cuba's policy to develop renewable energy resources and to apply energy efficiency in all sectors. 5. Strengthen the national production of crude oil and gas and their refinery by acceleration of studies and researches including new technologies and production capacities. 6. Ensure the optimal exploitation of national energy sources. 7. Ensure the consideration of all energy aspects (production, transformation, transport, distribution, consumption, environment, costs) as well as energy efficiency in the technology selection process. 8. Ensure a broad participation of foreign investors in the development of the energy sector. 9. Strengthen the international cooperation and regional integration for sustainable development. 4 Information on its main objectives has been shared with the media and within the framework of Business Fora and other public events. The Policy will be translated in the regulatory framework (decrees, resolutions and other legal instruments). 5 Summarised and translated from: PROPUESTA DE ASPECTOS A CONSIDERAR EN LAS INDICACIONES PARA LA ELABORACIÓN DE LA POLÍTICA ENERGÉTICA NACIONAL. G. Pereira. DPEEN. MINEM. XIII SENAE. Nov. 2015. [5] 1.1.1 Public Policy Assessment and EU Policy Framework The ***planned*** Action falls under focal sector 2 (Environment and Climate Change: Support for a better use of Key Natural Resources for Sustainable Development) of the EU-Cuba Multi-annual Indicative ***Programme*** 2014–2020 and seeks to support the implementation of Cuba's Energy Policy. The Guidelines (Lineamientos) adopted in 2011 and updated in 2016 for the period 2016-2021 outline Cuba's medium-term ***strategic*** development objectives in a package of more than 300 measures. Chapter 8 (guidelines 195 to 206) of the updated document is dedicated to Energy Policy. The measures concerning energy, renewable energy and energy efficiency aim to6. • Increase national production of crude oil and gas. • Increase the efficiency of national refinery of crude oil and gas products. • Significantly increase electricity generation efficiency. • Increase the thermal generation capacities. • Maintain an active policy of power load management to decrease consumption peaks and lower its impact on generation capacity. • Reduction of technical distribution losses by improvement of distribution grids. • Increase of electricity supply of unserved zones by applying the most economical solutions. • Foment co-generation and tri-generation, in particular in sugar industry. • Maximise the use of different sources of renewable energy, with a priority given to the sources with a greater economic impact (***programme*** till 2030). • Give priority attention to the attainment of the energy-saving potential identified in the State sector, while in the residential sector, further efforts are foreseen to fully tap its efficiency reserves, which includes a review of the current electricity tariffs, so that they may play their role as regulators of demand. • Further improve the ***planning*** and control in the use of energy sources, through reinforcement of power metering, as well as of the quality of energy efficiency indicators and consumption rates. • Improve awareness on the benefits of energy efficiency and rational use of energy through the educational systems and in public media. Aligned to the Lineamientos, the Policy for the perspective development of Renewable Sources and the Efficient Use of Energy was approved by the Council of Ministers of Cuba in June 2014 but not published. The regulatory framework for the new national energy policy was due to be published in May 2015, then announced for May 2016, but is still not yet published until now. In 2014, the government disclosed the political and economic ***plan*** of diversifying significantly its energy matrix, aiming at increasing the use of renewable energy sources for electricity generation from approx. 4.3 % in 2013 (including 3.5 % from the sugar industry) to 24 % by 2030, generating some 7,245 GWh of electricity, avoiding GHG emissions equivalent to 4,463 tons of CO2. The Ministry of Energy and Mines (MINEM), in discussions with the EU, has commented their willingness to increase the aforementioned target of 24 % of renewable energy sources for electricity generation to 29% for the year 2025. This objective can only be achieved by attracting USD 3.7 billion of foreign investments. The Ministry of Foreign Trade and Investment (MINCEX) has been publishing every year since 2014 a portfolio of foreign investment opportunities ('Cartera de oportunidades de inversión extranjera'). This portfolio highlights the projects 'on offer' about which investors can start negotiating, including 6 Translated from: 'Actualización de los lineamientos de la política económica y social del partido ...... para el periodo 2016 - 2021....', August 2016 [6] 22 projects in the renewable energy sector with an investment per project estimated between USD 46 million and over 200 million. The last version of this investment catalogue was published in 2016. This call to international investment contrasts quite sharply from the policy undertaken until recently, where only a few selected and usually like-minded partners (Venezuela, China, Brazil, etc.) were admitted to make business in Cuba, usually under preferential terms. 1.1.2 Stakeholder Analysis The main institutions involved in the development of renewable energy (RE) and energy efficiency (EE) in Cuba are the following: • The Governmental Energy Commission was created in 2012 by a Presidential Decree to elaborate a new sustainable energy policy, carry out several key studies and evaluations and establish required norms. The Commission is made of the following members: 8 ministries (MINEM, MINAG, MINCEX, MINDUS, MEP, MINTUR, CITMA, MINAL7), 2 agencies (UNE8, AZCUBA9), and 6 universities10. The Ministry of Energy and Mines (MINEM) is the central government entity responsible for proposing and, once approved, controlling and managing government policies for the energy sector (including oil and electricity), as well as geological and mining sectors. Created in 2012, the Ministry controls several key state-owned companies such as the Grupo Empresarial CUBANIQUEL (minerals), the electric utility UNE (Unión Eléctrica de Cuba), the national oil and oil products company CUPET, and the Grupo Empresarial GEOMINSAL (geology and mining). The Renewable Energy Directorate is the department in charge of defining the regulatory framework for renewable energy and energy efficiency in Cuba. o Electricity management and supervision at municipal and provincial levels are done by staff from UNE, the Electric Utility. The UNE has the sole responsibility for the transmission, distribution and sale of electric energy to end-users. It defines the power tariffs for the consumers and purchases electricity from independent ***producers***. Currently, UNE has 3,766,000 clients. Tariffs for electricity are regulated and controlled by the Ministry of Finance and Pricing. In the fossil fuels sector, CUPET is the state-owned company in charge of supplying fuel and lubricants to the national market, maximizing the value of national fuels compared to competitive products from the Caribbean area. 1 o The National Office for the rational use of energy, ONURE (Oficina Nacional de Uso Racional de la Energía), is a body depending from the MINEM, responsible for developing the country´s strategy regarding management and conservation of energy and applying energy efficiency measures in Cuba. It overlooks a group of about 400 energy auditors in charge of managing and ***planning*** the EE initiatives in the country. Those auditors deliver permits for new power installations and help propose appliances and equipment labelling standards for Cuba. • The Ministry of Foreign Trade and Investment (MINCEX) is the government entity responsible for the preparation of the policy regarding foreign trade activities, the creation of mixed companies, economic cooperation with foreign countries, organisations and foreign associations, and the negotiation of foreign investments. In addition, this organism supervises the international cooperation Cuba receives and provides. 7 MINAG: Ministry of ***Agriculture***; MINDUS: Ministry of Industries; MEP: Ministry of Economy and ***Planning***; MINTUR: Ministry of Tourism; CITMA: Ministry of Science, Technology and Environment; MINAL: Ministry of Food Industry. 8 Electric Utility (Unión Eléctrica de Cuba). 9 Sugar State group – Grupo empresarial Azucarero. 10 Higher Polytecnical Institute 'Jose Antonio Echevarria' (CUJAE); Havana University (UH); Central University “Marta Abreu” of Las Villas (UCLV); Cienfuegos University; University “Maximo Gomez Baez” of Ciego de Avila; and University of Orient. [7] o PROCUBA belongs to the MINCEX and is the agency in charge of promoting foreign trade and investment services. • The Ministry of Economy and ***Planning*** (MEP) heads the implementation of the Guidelines and the economic ***planning***, and consequently, has a more integrated and holistic view of the Cuban economy needs. The MEP coordinates the EU-financed “Expertise Exchange ***Programme***” in Cuba. • The Ministry of ***Agriculture*** (MINAG) is the government entity responsible for State policies for the use and exploitation of ***agricultural*** land (either collectively or individually), and ***agricultural*** production. Its mandate also covers forestry. As such, it is also involved in sustainable energy by means of the use of forest products and residues (including marabou bush, an invasive species widespread on non-cultivated land throughout the country), ***agricultural*** residues, sugarcane bagasse and biodiesel. Biogas installations are also under its responsibility. • The Ministry of Science, Technology and Environment (CITMA) is the government entity overlooking the country’s environmental sustainable development. It is responsible for proposing and, once approved, executing, controlling and managing state policies and decrees regarding science, technology (including nuclear energy), and environment (including climate change). o CUBAENERGÍA (Centre for Information Management and Energy Development) is an agency of CITMA which: a) provides energy education, dissemination of information and outreach activities; b) promotes and undertakes research, development and innovation projects; and c) provides support services to ministries and business groups upon request (e.g advice on the development of the country’s RE strategy). It is probably the best informed entity as to Cuba's energy challenges and opportunities. • MINDUS (Ministry of Industries) is the government entity responsible for managing, executing and supervising the policies of the industrial activities. • MINTUR (Ministry of Tourism) leads the implementation and development of touristic sector in Cuba. It participates with other entities in developing the conservation of energy and energy efficiency policies in the tourism sector. • AZCUBA (Sugar State Group) is the government agency in charge of sugar policies in the country. It is also the owner of the sugar cane facilities and, consequently, the owner of all the associated thermal plants that uses sugarcane waste as main fuel. • Universities and Research Centres (depending on the Ministry of Higher Education – MES) play an important role in R&D projects, improving scientific skills and working closely with local authorities for developing specific projects. The Universities and Research Centres also work closely with the authorities in implementing the energy policies as technical advisors. The direct beneficiaries will be officials implicated in the implementation of the Cuban policy in the sectors of renewable energy and energy efficiency, both at national and local levels as well as relevant Research and Education centres and Cuban citizens in rural/isolated areas benefitting from the electrification foreseen under the ***Programme***. The indirect or final beneficiary will be the entire population of Cuba. 1.1.3 Priority Areas for Support / Problem Analysis Cuba's reality is slowly changing as a result of internal demand for economic and social advancement, as well as of external factors. Subsequently, foreign companies are increasingly seeking to invest in Cuba's economy, although very few investments are materialised. Various barriers, gaps and issues need to be addressed. These constraints are of different nature: [8] • Peculiar policy and institutional environment and scarce information: Most policies, strategies and figures are not public. As regards energy policy, the government has only disclosed its objectives with regards to the changes in its energy matrix. It argues that they have already carried out all the necessary studies that sustain their ambitions and only need financial support to reach them. Donors have no access to those studies, which makes it difficult to appreciate their overall quality. The government is in charge of the generation, transmission and distribution of energy. Investment risks: It is not clear how prioritisation of the projects referred in the portfolio for investment has taken place in terms of resource availability and variability, technology assessment and cost-benefit analysis. Negotiations with investors or donors are done in a bilateral manner, and information on how these negotiations are going-on, and what are the possible bottlenecks - if any - are usually not disclosed. Most likely, MINEM officials or those who negotiate (AZCUBA, MINAG) are not used to the rules of the market economy. Electricity tariffs are cross-subsidised among the different consumer groups paid by the government which creates an additional burden on the public budget and a risk for the private sector in order to invest. Moreover the lack of a transparent and functioning energy market is an additional risk for the private sector. Capacity, knowledge (expertise) and technological gaps: More qualified staff and specialists will be necessary if the ambitious 2030 target is to be achieved. Yet, the time period is relatively short to have people trained and get skilled local staff to work on all the energy installations that are ***planned*** to be constructed and in operation in the country by 203011. • The universities are educating people in RE and EE relevant disciplines (especially engineering), but often in a very theoretical way with little practical exposure to gain and improve skills and experience. Teachers, students, and officials as well (most of MINEM staff are engineers) have very limited knowledge of the most recent RE and EE practices (in particular on investment) and technologies used throughout the world. • Very limited knowledge at local level: The local governments are to play an increasingly important role in the decision-making processes regarding energy and development. People working in the local government will need some kind of training to understand better the challenges and opportunities in their localities. • Financial constraints to access to technology and equipment: Cuba needs to import much of the technology, equipment and spare parts needed, all to be paid in hard currency. In this regard, an overall and unsolved constraint is the dual currency of the Cuban Peso (CUP) and the Cuban Convertible Peso (CUC)12, and also the incompatibility of CUC with international currencies. In addition, research centres, universities but also companies work with obsolete equipment. While enterprises manufacturing export products and tourism-related enterprises pay their electricity bill in the convertible currency (CUC), domestic households and some State-owned enterprises pay their electricity bills in national currency (CUP). Reduced awareness of the potential benefits of energy efficiency measures: Despite the creation of ONURE, and the fact that energy efficiency is politically considered as an important way to ease the energy crisis, EE application is still at an infant stage in Cuba. The necessary metering instruments are not available to analyse the consumption of energy. In addition, there is a general lack of awareness. The subsidies of electricity, water, gas and other basic products are such that people care little about the quantities they consume and subsequently, there is no ‘saving and conservation’ 11 In less than 15 years’ time, Cuba will need to train people who can work in (updated in 2016) 25 new biomass power plants, 17 wind farms, 74 hydropower plants and an uncertain number of PV solar power plants (if we divided 700 MW among 4 MW, the minimum number is 175 PV solar power plants), yet there is very limited experience in the country to install, operate and maintain large RE-based power plants. 12 Official rate:   [*http://www.bc.gob.cu/Espanol/tipo\_cambio.asp*](http://www.bc.gob.cu/Espanol/tipo_cambio.asp) (1 CUC = 1 CUP); real rate: 1 CUC = 24 CUP [9] culture. MINEM has stated that tariffs for the residential sector will keep on being very highly subsidisd. 2 RISKS AND ASSUMPTIONS Risks Risk level (H/M/L) Mitigating measures No access to the Policy for the perspective development of Renewable Sources and the Efficient Use of Energy since this document will not be published M MINEM has informed the EU Delegation to Cuba that the policy on renewable energies will not be officially published. However, the 'Lineamientos' updated in August 2016, reflect the basics of the envisaged RE/EE development. Also the regulatory framework, that is expected to be published shortly, will be guiding the implementation of the Cuban energy policy. This regulatory framework - with the assistance of the EU Action - will be regularly reviewed. Lack of coordination at ministerial level and risk of staff turnover. L/M An appropriate management structure for the Action will be ensured which would include: - A Director of the ***Programme*** who will ensure the overall coordination and coherence of the ***Programme***. - A management team mostly composed by officials from MINEM that will lead the implementation of the Action on behalf of the Cuban counterpart, including day-to-day coordination of the ***Programme***, monitoring of activities, impacts and adjustment of the Action, if required. - A Steering Committee, chaired by MINEM, to coordinate all parties and guarantee the coherence and quality of all activities. It is essential to ensure a careful formulation of responsibilities of the Steering Committee and a meaningful selection of committee members. Annual Work ***Planning*** workshops with key stakeholders focusing on expected results will be also held. Deterioration of the political relation between Cuba and the EU L In the present context and after the signature of the EU-Cuba Political Dialogue and Cooperation Agreement this risk is considered low. [10] Deterioration of the political relation between the USA and Cuba M/H Considering the new US administration as of January 2017 and the announced stop or even reverse of the current improvement of the US-Cuban relationship this risk is considered moderate to high. Mitigation measures: - Establishing a stable relationship between the EU and Cuba. - Encouragement of the EU Member States to increase their Development Cooperation with Cuba. Difficult access to key decision-makers and interlocutors (for instance people involved in the Governmental Energy Commission) M The participatory approach used during the identification and formulation of the Action have ensured a high level of ownership and trust among key decision-makers and interlocutors which should ensure promptness and access during the implementation of the Action. As for the EU-Cuba Expertise Exchange ***Programme***, a high level representative from this Ministry will have to be appointed to ensure a proper priorisation, coherence and follow-up of activities13. Participants to trainings and other ***Programme*** activities are not duly selected L/M The Action will provide short to medium-term technical assistance to the MINEM as main counterpart of the Action. However, MINEM has to carefully select the recipients of such assistance/trainings in order to maximise benefits. Replication of activities (train the trainers) is also to be ensured. Lack of involvement by local and national authorities All parties will agree ex-ante with the Cuban government who is the target population. Assumptions  The Cuban government remains committed to the implementation of its Energy Policy based on 'Lineamientos' and maintains its interest in this Action.  The Cuban government shares with the EU its regulatory framework.  The Financing Agreement between the EU and the Cuban Government is signed on schedule and the beginning of the Action is not postponed.  The Cuban government communicates the provisions of the energy regulatory framework to potential foreign investors and adapts it, as foreseen, to changing needs.  The proposed imports of equipment and components are fluid and customs clearings processes do not delay the implementation of the Action. 13 Other Ministries participating to this ***Programme*** are represented at the level of Advisor to the corresponding Minister (MEP, MES) [11] 3 LESSONS LEARNT, COMPLEMENTARITIES AND CROSS-CUTTING ISSUES 3.1 Lessons Learnt In the framework of the EU cooperation with Cuba, the EU has financed 3 grants directly promoting the use of renewable energy (including research-type projects) that concluded between 2015 and the first part of 201614, and one project dealing with climate change15, which addresses energy efficiency (i.e energy is not a core objective of the project). All those projects are linked with the ***agricultural*** sector. The official counterparts have been the MINAG16, the CITMA and the MES. None of these projects have been supervised directly by MINEM. Projects in Cuba suffer implementation delays of a year or more due to various obstacles, such as difficulties in accessing imported equipment (lack of clear importation procedures), limited availability of local equipment (inexistence of local suppliers) and problems with local transportation, excessive bureaucracy, lack of coordination and understanding at local level (not enough capacity building in the local sector, mainly in energy issues), and lack of sufficient support from ministries and decision-makers at national and local levels. Based on the experience with those projects, some of the key elements for success seem to be: • Ensure sufficient time to be able to consult with all parts and have their full understanding as to their involvement and level of responsibility. • Obtain high-level support right from the beginning (i.e identification and formulation phase) and ensure a close involvement of decision-makers in the monitoring of the project (high-level representatives attending Steering Committees as well as relevant meetings) throughout its implementation. • Find and work with committed partners. • Take into account logistical and administrative constraints specific to the Cuban context, especially according to imports of goods and equipment. • Set realistic goals according to the openness and effective dedication of government staff. • Invest significantly in capacity-building and awareness raising at all levels. • Invest in basic equipment. • Give priority to projects that build on successful experiences in order to promote its expansion and replicability, instead of experimenting new ideas unless those having high-level support. • Avoid construction or civil works unless decisive support and commitment from the authorities throughout the project is secured. • Have a clear prioritisation for investments, considering lead times and possible barriers, in such a way that low/zero investment projects that can be developed locally are supported. 14 (i) AGROENERGÍA: Fomento de fincas integrales agro-energéticas autosustentables para contribuir al desarrollo sostenible en zonas rurales de Cuba, with OIKOS, 1.4 M EUR; (ii) Fincas agropecuarias sustentadas en el uso de energías renovables en el sur oriental de Cuba, with HIVOS, 0.8 M EUR; (iii) BIOMASA MARABÚ: Aprovechamiento de la biomasa de marabú y otras especies energéticas como

combustible en la generación de electricidad y recuperación ambiental en Camagüey, with Sodepaz, EUR 1.6 million. 15 BASAL Bases Ambientales para la Sostenibilidad Alimentaria Local, with UNDP and JRC, co-financed by COSUDE, EU financing EUR 8.3 million. 16 MINAG has a renewable energy unit, but they have not shown much interest in the mentioned cooperation projects. [12] 3.2 Complementarity, Synergy and Donor Coordination As regards the current or future cooperation in the energy sector, important actors in this sector are: • Canada: Conclusions of the energy’s stocktaking mission performed in February/March 2016 are not available17. Currently, Canada supports UNE in the vocational training of staff members such as welders and electricians. • Switzerland / COSUDE: Their cooperation projects are mainly focused on local development, decentralisation including municipal training, transfer of knowledge, participatory mechanisms. Energy is also a priority and they are (co)-financing several interesting projects dealing with energy efficiency (BASAL – co-funded with the EU), bio-energy and biomass (use of Jatropha to ***produce*** bio-diesel, following the steps of the EU-funded project 'Agroenergía' and BIOMAS project), all undertaken in collaboration with the Estación Experimental Indio Hatûey (EEIH). • AECID (Agencia Española para la Cooperación y el Desarrollo) has been very active in Cuba, but not as much in this sector. In the past, AECID has supported the Cuban NGO CUBASOLAR on solar electrification projects. • UNDP: Energy has been part of UNDP portfolio for several years, along with environment. UNDP is implementing BASAL (climate change adaptation and mitigation component), and is now implementing a new GEF-funded project (2016-2020) dealing with bioenergy (project 'Tecnologías de Energía Limpia para las Áreas Rurales en Cuba', (focusing on the promotion of biogas and biodiesel essentially), together with CUBAENERGIA, MINEM and EEIH. UNDP had successfully carried out rural pilot electrification projects in the province of Guantanamo that can serve as examples for this Action. • UNIDO (United Nations Industrial Development Organization). Some successful cases on electrification such as Isla de La Juventud are in UNIDO’s portfolio in the country. The Isla de La Juventud project was aimed at demonstrating the technical/commercial feasibility of energy production by renewable energy (RE) and training qualified personnel. • AFD (French Agency for Development) opened an office in Havana at the end of 2016. They will implement an EU-funded LAIF Facility (EUR 3 million) to fund pre-feasibility and feasibility studies to attract foreign investments. The energy sector is one of the priorities together with sustainable ***agriculture***, water and sanitation and transport. The Cuban government has already submitted some investment projects on RE to AFD to be analysed for a possible loan. Coordination with AFD has to be ensured in the implementation of this Action. • Germany carried out two identification missions in May and September 2016 consisting of representatives of KfW, GIZ and PTB (German Institute for Metronomy). The main areas of ***intervention*** selected and agreed upon with the Cubans are: (i) grid stability (RE source fed into the national grid and respective analytical and protective measures); and (ii) support measures of the national PV production (technological aspects, quality improvement, increase of quantity of PV panels). Modalities of implementation are being discussed and could take some time. • The Netherlands were recently asked by the Cuban government to provide assistance in the area of wind power. • IRENA organised a workshop for technical experts of MINEM and UNE on 24-26 August 2016 to exchange experiences on ***planning*** and operating the electricity system with high shares of variable renewables. A follow up workshop intended to take place in the last quarter of 2017 will facilitate exchange of experiences with neighbouring countries. 17 The EU formulation mission took place in October-November 2016 [13] • China is an important partner of the Cuban Government in this sector, specially in capacity building. China invites Cuban public servants every year to a training on renewable energies (the subject is decided by both parts). There is a big potential for Chinese investment in the sector but not concretize yet, mostly in solar foltovoltaic technologies. 3.3 Cross-Cutting Issues Environmental considerations will be incorporated in the Action activities wherever relevant. In any case, it can already be foreseen the integration of environmental and climate change aspects in several exchanges and trainings and the strengthening of the CITMA's assessment role towards the MINEM and other key entities. It should also be ensured that the research activities take into account environmental aspects and that all the investment-related activities promoted are environmentally-sensitive. The gender dimension will also be a cross-cutting component of the Action. Gender equality is a declared objective of both the Cuban authorities and EU cooperation and the gender dimension will be integrated in the different activities to be undertaken in the framework of this Action. Participation by women from both the EU and Cuba will be ensured. MINEM has a gender team, integrated by representatives of the training centres of enterprises related to this Ministry, which has developed a diagnostic and is working on a Gender Institutional Strategy. The ***Programme*** will ensure coherence with this gender strategy and will support its implementation, including trainings to the mentioned team and other officials and managers. As for the human rights dimension, Cuba considers access to electricity as a fundamental right for every citizen. The Action, especially under specific objective 4, is expected to contribute to bring Cuban population access to electricity to 100 % (currently estimated at 99.6%18). 4. DESCRIPTION OF THE ACTION 4.1 Objectives and Results This ***programme*** is relevant for the Agenda 2030 and it contributes to the progressive achievement of SDG no. 7 'Ensure access to affordable, reliable, sustainable and modern energy for all'. The general objective is to support the Cuban Government efforts towards the efficient and sustainable management of its resources with a view to diversifying Cuba's energy mix. The specific objectives of the Action are: Specific Objective 1: Support the effective implementation of the 'Policy for the perspective development of Renewable Sources and the Efficient Use of Energy' and its Regulatory Framework. Specific Objective 1 aims at enhancing the renewable energy (RE) and energy efficiency (EE) knowledge and skills of key government officials, at national and local level, and of the academic sector, with a view to support the implementation of the national policy for RE and EE, e.g through, among others, exchange of experiences and best practices in RE and EE with other countries, especially from EU public administrations; revision of the existing regulatory framework and identify the gaps/points for improvement and/or adapt it accordingly to international best practices selected as most fitting the Cuban context; engaging, both at legal and regulatory level, in the ambitious RE and EE targets already announced for 2030; defining the milestones to assess the performance towards meeting these targets and link them to concrete measures to be taken in case of insufficient progress; creating a RE and EE roadmap towards meeting those targets, based on reliable measurements of sources. 18 MINEM estimates [14] In order to achieve this objective the following results will be sought: Res 1.1: Coherent legal and regulatory framework in the sectors of renewable energy and energy efficiency are in place and each time in line with the Policy objectives. Res 1.2: Improved know-how and skills of national and local governments and local officials. Res 1.3: Strengthened know-how and technical skills on RE and EE of Cuban research centres, universities and other educational institutions. Specific Objective 2: Facilitate foreign investment in the sectors of Renewable Energy and Energy Efficiency as well as the access to international cooperation funds. Specific Objective 2 is oriented to create an enabling environment to attract mainly foreign capital to invest in the Cuban energy sector. The Action also aims at supporting the Cuban government in creating a favourable investment environment and promoting its investment policy for foreign investors in the RE and EE areas, through among others, capacity building activities for government officials in negotiation techniques and public tendering procedures; increasing knowledge base about international experiences with incentives for foreign investments; identifying and updating financing schemes and mechanisms for development support, including through familiarising government officials with available international financial instruments and development cooperation in the the energy sector. In order to achieve this objective the following results will be sought: Res 2.1: Negotiation and investment promotion capacities as regards foreign investment strengthened. Res 2.2: Improved capacities of the Cuban government and organizations to take advantage of the financing opportunities in the energy sector. Specific Objective 3: Support the implementation of the ***Programme*** for Energy Management and Conservation, including Energy Efficiency. Specific Objective 3 deals with energy efficiency as an important element of the Cuban energy sector. The expected results are the adoption by decision makers of energy efficiency measures with a view to relieving Cuba's energy consumption through, among others, enabling technicians to carry out energy audits according to international best practices in key sectors (industrial, public, residential, transport and tourism); identifying the needs for EE measures and its implementation; developing energy efficiency demonstrative projects. In order to achieve this objective the following results will be sought: Res 3.1: EE needs assessment at identified institutional and corporate level (capacity building and equipment) undertaken Res 3.2: Capacities and equipment of identified State entities, firms and institutions involved in EE strengthened Res 3.3: EE demonstration projects elaborated and implemented Specific Objective 4: Support local development enhancing the access of rural communities to renewable energy, while encouraging efficient energy consumption Specific Objective 4 focuses on the improvement of life quality in rural communities by improving/providing energy access using renewable energy sources. This ***intervention*** will make maximum use of energy efficient technologies. This project will contribute to the rural electrification of un-served local households and communities contributing to achieve a country-wide 100% electricity [15] coverage. Currently the level of rural electrification in Cuba is around 99 %19; the ***Programme*** will contribute with the electrification of around 6,000 households, contributing to reach the 100 %. In order to achieve this objective the following results will be sought: Res 4.1: Needs and opportunities in terms of access to energy in some rural communities identified Res 4.2: Best practices with regards to the use of RE in Cuban local areas Res 4.3: Technical solutions using RE in local communities aiming at improvement of life quality and favouring the local productive development designed and implemented 4.2 Main Activities In order to serve the general objective of the Action and to achieve the above-mentioned specific objectives, the following indicative activities per result will be implemented. In addition, the following activity will be undertaken for each specific objective in order to ensure adequate monitoring of the Action (see 5.8 ): 'Define relevant baselines and milestones for each proposed indicator'. Res20 1.1: Coherent legal and regulatory framework in the sectors of renewable energy and energy efficiency are in place and each time in line with the Policy objectives: • Enhance knowledge and understanding of the regulatory framework among relevant stakeholders. • Analyse different international cases of successful implementation of the regulatory framework, identifying elements that could be integrated in the Cuban one. • Design and establish a monitoring and evaluation system for the implementation of the regulatory framework. Res 1.2: Improved know-how and skills of national and local governments and local officials: • Train officials on the regulatory framework and on energy technologies and their applications (e.g RE principles of wind, hydro, solar power and bio-energy; EE principles, concepts and technologies; energy audits; and grid integration of RE). • Ensure access to a more actualized bibliography and international data on RE and EE. • Disseminate national and international experiences and best practices among officials. Res 1.3: Strengthened know-how and technical skills on RE and EE of Cuban research centres, universities and other educational institutions: • Provide access to knowledge (e.g academic exchanges; participation in international key conferences; trainings) and elaborate/implement train-the-trainer schemes to support a wide diffusion of RE and EE know-how towards Cuban universities and other educational institutions. • Update educational ***programmes*** related to RE and EE. • Develop research and innovation projects on RE and EE, with a special emphasis on the applicability of results to the development of Cuban enterprises in this sector. • Analyse/select international experiences related to RE and EE technical norms and standards that may prove relevant to Cuban context. 19 According to MINEM data 20 According to OECD DAC terminology, the term of 'result' covers three levels of the results chain: impact, outcome and outputs. Although some of the listed results are actually outputs; it has been decided to use the general term of 'result'. [16] Res 2.1: Negotiation and investment promotion capacities as regards foreign investment strengthened: • Training of officials in negotiating skills and in documenting results (e.g Memorandum of Understanding, letters of intention). • Training of officials and managers in investment promotion strategies. • Sharing experiences and best practices on foreign investment promotion in RE and EE. • Organization of and participation in investment promotion fairs on RE and EE.21 Res 2.2: Improved capacities of the Cuban government and organizations to take advantage of the financing opportunities in the energy sector: • Provide technical assistance to, according to international standards, analyse, interpret and update pre-feasibility and feasibility studies on investment opportunities and/or to elaborate new studies where necessary. • Provide technical assistance for the elaboration of proposals based on international mechanisms and opportunities. • Increase knowledge base in analysing and interpreting economic-financial documents/studies and risk assessments on investment opportunities. • Increase knowledge base and skills to access financing mechanisms for development cooperation. Res 3.1: EE needs assessment at identified institutional and corporate level (capacity building and equipment) undertaken: • Define sector indicators for energy efficiency in key pre-selected sectors (eg. touristic, industrial and residential sectors among others). • Identify measures needed to reach the indicators for the selected sectors. • Identify equipment and training needs at identified entities in key pre-selected sectors. • Identify equipment and training needs of employees of institutions involved in ensuring energy efficiency. Res 3.2: Capacities and equipment of identified State entities, firms and institutions involved in EE strengthened: • Elaborate strategies for the selected sectors to implement EE measures. • Raise awareness and create new capacities leading to improve EE performance. • Improve the instrumentation infrastructure to measure energy efficiency data. Res 3.3: EE demonstration projects elaborated and implemented: • Select and implement EE demonstration projects in the identified sectors. Res 4.1: Needs and opportunities in terms of access to energy in some local communities identified and capacities on RE developed: • Identify needs in selected rural communities for energy access (e.g carry out enquiries to key actors but also take account of experiences of other projects). • Evaluate local potentials on RE (e.g carry out resource assessment in selected rural communities – capacity of animal farming, biogas production, yields of Jatropha cultivation, availability of Marabou, solar radiation, etc.). 21 For all the activities related to the promotion of foreign investment in Cuba, the key institution is ProCuba, which is currently participating to the EU-Cuba Expertise Exchange ***Programme*** [17] • Create networks for local capacity building in RE at community or provincial level to contribute to local development ***programmes***. • Create or strengthen infrastructure at local level to provide local energy services (e.g rural energy service companies, rural energy centres or agencies). Res 4.2: Best practices with regards to the use of RE in rural areas and specifically using agroenergy identified and a number of them applied: • Share international experiences on RE applications in local areas with key actors. • Apply selected methodologies in identified rural areas. Res 4.3: Technical solutions using RE in rural communities aiming at improvement of life quality and favouring the local productive development designed and implemented: • Design and implement local electrification projects with RE in isolated communities and rural households with a local development approach (e.g around 6,000 households will be electrified). • Identify and suggest energy saving solutions for the small scale rural industry and communities. Additionally, the Action will include activities related to monitoring, evaluation and audit as well as communication with beneficiaries and impacted populations. 4.3 ***Intervention*** Logic The Cuban Government has decided to diversify its energy matrix in a substantial manner setting a very ambitious goal concerning the generation of electricity from renewable sources (from 4.3 % in 2013 to 24 % in 2030). Substantial foreign investment, estimated at USD 3.7 billion, is needed to achieve this objective. At the same time, a significant improvement in energy efficiency performance must be ensured. Besides, the Cuban Government aims at reaching 100 % of country electrification in order to ensure that even the most isolated areas have access to electricity, to which this Action will contribute with the electrification of around 6,000 households. The EU can offer considerable knowledge and expertise concerning the RE and EE sectors. EU-Cuba cooperation has already witnessed some successful experiences through pilot projects on renewable energies22. Also further to the signature of the Political Dialogue and Cooperation Agreement in December 2016 cooperation between EU and Cuba is further reinforced, which may lead to an increase in EU presence in this ***strategic*** sector in Cuba. The proposed ***intervention*** logic was developed at the formulation stage and is based on thorough discussions and exchanges with all the concerned stakeholders. The Action will be the first one implemented with the Ministry of Energy and Mines (MINEM) as main counterpart under an EU-funded project. The MINEM, specifically the Directorate of Renewable Energies, will be in charge of the coordination of the ***Programme*** in order to ensure coherence and alignment to the national policies. The four Specific Objectives have been grouped in three components. Component (1) focuses on Specific Objectives 1 (except Res 1.3) and 2, related to the institutional strengthening of the public entities associated to RE and EE and to the promotion of foreign investments in this sector in Cuba; whereas component (2) deals with Res 1.3, related to the academic strengthening on RE and EE; and component (3) addresses Specific Objectives 3 and 4, with a focus on specific measures and projects to promote EE and the use of RE as a driver for sustainable development. 22 See under 3.1 Lessons Learnt [18] For component (1), taking into account the leadership of the European Union in the implementation of policies on RE and EE, a network of EU agencies will be created (the 18 Member States represented in Cuba have already been consulted) to mobilise the most suitable experts on RE and EE. This network will also be open to, among others, agencies/institutions from Member States not represented in Cuba. Apart from this network, it is foreseen to create a roster of experts in order to enlarge as much as possible the pool of potential experts leading to a successful pre-selection of experts by the Member State entrusted agency. The final choice of experts would lay with the beneficiary Cuban institution. This component will be earmarked in the ongoing EU funded EU-Cuba Expertise Exchange ***Programme*** implemented by FIIAPP. The Direction of the ***Programme*** (Ministry of Economy and ***Planning***) and the Ministry in charge of Cooperation (MINCEX) have supported the incorporation of MINEM. MINEM participation to this ***Programme*** will ensure relevant synergies with the institutions that are already taking part as all those institutions, to a different extent, are very relevant for the implementation of the national policy on RE/EE.23 The methodology for searching, pre-selecting and mobilising relevant experts has been constantly improved since the beginning of the first phase of the ***Programme*** (2014) and it nowadays enables a quick and relevant response to Cuban demands. AFD will be invited to contribute to the attraction of foreign investment in the sector, establishing synergies with the EU-funded LAIF Facility in Cuba (EUR 3 million); this Facility is implemented by AFD and intends to finance pre-feasibility and feasibility studies relating to investment projects in Cuba likely to be financed by International Financial Institutions. As for component (2), it responds to activities under Res 1.3 One call for proposals will be launched for European renewable energy and energy efficiency centres, other European public and private institutions (including universities and research centres), Cuban institutions and other educational institutions which will form consortia to respond to the Call. The successful consortium will have to work in close coordination with the entrusted Member States and UN agencies (see below) as well as with the EU Delegation and the Cuban counterparts. Concerning component (3), UNDP and UNIDO will be in charge of, among others, designing and implementing demonstrative projects, transferring know-how on RE and EE and electrifying rural/isolated 23 Ministry of Economy and ***Planning***, MINCEX, MES, Ministry of Justice, National Statistics and Information Office (ONEI), National Economic Research Institute (INIE), National Office for Tax Administration (ONAT), Chamber of Commerce, PROCUBA MINEM Directorate for Renewable Energy Consortium of EU-Cuba Research Cent r es / Universities UN Agencies (1) Support the effective implementation of the 'Policy for the perspective development of Renewable Sources and the Efficient Use of Energy' and its Regulatory Framework Facilitate foreign investment in the sectors of RE/EE as well as the access to international cooperation funds (3) Support the implementation of the ***Programme*** for Energy Management and Conservation, including Energy Efficiency Support local development enhancing the access of rural communities to renewable energy, while encouraging efficient energy consumption Implementer Component (2) Strengthen the knowhow and technical skills on RE and EE of Cuban research centres, universities and other educational institutions Member State Agency Coordination ensured by [19] houses/areas with a local development approach, providing capacity building to representatives of productive sectors. 5 IMPLEMENTATION 5.1 Financing Agreement In order to implement this Action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012. 5.2 Indicative Implementation Period The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission’s authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3 N/A 5.4 Implementation Modalities 5.4.1.1 Grant: Call for Proposals 'Support to the Implementation of Cuban Energy Policy' (Direct Management) (a) Objectives of the Grant, Fields of ***Intervention***, Priorities and Expected Results: This grant as described in the present Chapter 5.4.1.1 is only one part of the overall Action as described in Chapter 4.1 of this Action Document, specifically to respond to Result 1.3 The call for proposals will be launched to bring together European renewable energy and energy efficiency centres, other European public and private institutions (including universities and research centres), Cuban Universities, research centres and other educational institutions who will be required to form consortia in view to strengthen their know-how and technical skills on RE and EE so the educational system will be able to respond at a greater potential to the needs of diversifying the energy matrix in terms of number of people trained and technical level required, but also in terms of R&D capabilities. Cuban research centres and universities play a central role in the implementation of the Energy policy and have been key actors in the design of the regulatory framework. The successful consortium will have to work in close coordination with the entrusted UN Organisations and with FIIAPP as well as with the EU Delegation and the Cuban counterparts. This modality will imply opening EU-Cuba bilateral funds for competition for the first time which will be an opportunity to share in practice our public tendering procedures, and jointly with MINEM evaluate the proposals submitted. The overall objective of the grant is to strengthen the Cuban research centres and universities know-how and technical skills. The main specific objectives of the grant are to: • Provide access to knowledge on RE and EE (e.g academic exchanges; participation in international key conferences; trainings) and implement train-the-trainer schemes to support a wide diffusion of RE and EE know-how towards Cuban universities and educational networks. [20] • Support the development of research and innovation projects on RE and EE in the country. The overall action final beneficiaries are the Cuban research and development institutions and universities, Cuban educational institutions and any other Cuban organisations involved in RE and EE issues. The following non-exhaustive list gives indications of the type of action, which may be considered for support, provided that they meet the overall and specific objectives of the Call for Proposals: • Actions aimed at consolidating and/or scaling-up of proven successful initiatives of EU and Cuban research world, having high impact on energy consumption reduction and renewable energies adoption at country level; • Actions supporting know-how transfer on RE, EE and environmental sustainability in Cuban research centres, universities and educational network; • Actions favouring the exchange of best practices among EU and Cuban educational network and the increasing of competences of Cuban trainers; • Actions supporting the system of Cuban enterprises in applying the results of the research and development sector achieved; • Research and innovation activities and projects on RE and EE. Expected Results: • Knowledge and technology transfer on RE/EE between European and Cuban universities, research centres and other education institutions reinforced. • EU and Cuban academic/educational networks promoted. • Research and innovation projects developed in order to support the implementation of the national policies on RE and EE, with special emphasis on the applicability of results to the development of Cuban enterprises in this sector. (b) Eligibility Conditions: • In order to be eligible for a grant, the applicant must: • Be a legal person, and • Be non-profit-making, and • Be a specific type of organisations such as: Civil Society Organisations (CSO)24 or their associations, and Local Authorities or their associations constituted in accordance with the legislation in force of the country concerned, including actors under private law; and • Be established in the Republic of Cuba or in a Member State of the European Union; and • Be directly responsible for the preparation and management of the Action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary Co-applicants and affiliated entities: the eligibility of Co-applicant and affiliated entities is restricted to all types of CSOs and/or their associations LAs and/or their associations and originating from the European Economic Area and/or CELAC Member States. 24 Civil society organisations include: NGOs, organisations representing indigenous peoples, organisations representing national and/or ethnic minorities, local traders' associations and citizens' groups, cooperatives, trade unions, organisations representing economic and social interests, organisations fighting corruption and fraud and promoting good governance, civil rights organisations and organisations combating discrimination, local organisations (including networks) involved in decentralised regional cooperation and integration, consumer organisations, women's and youth organisations, teaching, cultural, research and scientific organisations, universities, churches and religious associations and communities, the media and any nongovernmental associations and independent foundations, including independent political foundations, likely to contribute to the implementation of the objectives of this Regulation. [21] Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant will be between EUR 1,500,000 and 3000,000 and the grants may be awarded to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 40 months (assuming that the call for proposal can only be launched in the second year of the overall duration of the Action of 60 months). (c) Essential Selection and Award Criteria: The essential selection criteria are financial and operational capacity of the applicant(s). The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the Action. (d) Maximum Rate of Co-financing: The maximum possible rate of co-financing for grants under this call is 90 %. In accordance with Articles 192 of Regulation (EU, EURATOM) No 966/2012, if full funding is essential for the Action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission’s authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management. (e) Indicative timing to launch the call: Last quarter of the year 2017. 5.4.1.2 Procurement (direct management) Subject in generic terms, if possible Type (works, supplies, services) Indicative number of contracts Indicative trimester of launch of the procedure Evaluation Services 2 2020Q3; 2023Q2 Audit Services 2 2020Q2; 2023Q2 5.4.1.3 Indirect Management with a EU Member State agency A part of this Action will be implemented in indirect management with the Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas (FIIAPP) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the preselection and mobility of experts and civil servants, the logistics of the different activities and the procurement of equipment, inputs and visibility material. Taking into account the leadership of the European Union in the implementation of policies on renewable energies (RE) and energy efficiency (EE) and in the development of technologies in this sector, a network of EU agencies will be created (the 18 Member States represented in Cuba have been consulted) to mobilise the most suitable experts on RE and EE. This network will also be open to, among others, agencies and institutions from Member States not represented in Cuba and will be coordinated by FIIAPP in the framework of the existing Expertise Exchange ***Programme***. FIIAPP will be requested to create a roster of experts in this thematic as well, in order to enlarge as much as possible the pool of potential [22] experts leading to a successful pre-selection of experts (the final choice of experts would lay with the beneficiary Cuban institution). Also, the ***Programme*** will encourage the signature of Memorandums of Understanding with institutions such the French Cooperation Agency (AFD) whose expertise proves relevant for topics related to the attraction of foreign investment in response to Objective 2 of this ***Programme***; this would ensure due coordination with the EU/LAIF-funded Facility (EUR 3 million), implemented by AFD, which intends to finance pre-feasibility and feasibility studies relating to investment projects in Cuba likely to be financed by International Financial Institutions. It is considered that the EU-funded Expertise Exchange ***Programme*** Phase II whose implementation has been entrusted to FIIAPP and just started beginning of 2017 is the best placed to assume the implementation of Component 1 of this ***programme*** budgeted at EUR 4 million. FIIAPP will enable the operations foreseen under Component 1 to be running in a maximum period of 1 month from the signature of the corresponding Financing Agreement, i.e that exchanges and transfer of knowledge to the benefit of local officials and other stakeholders would be effective in record time, also national efforts to attract foreign investment and other financing lines are supported from the very start of activities seizing the momentum in Cuba and maximizing the chances to support opportunities as soon as they arise. This is the main reason why the FIIAPP has been entrusted with the implementation of this component. The inclusion of this component into the Expertise Exchange ***Programme*** will significantly contribute to ensure a relevant inter-ministerial25 and institutional coordination and the levelling-up of synergies created. Also, the use of an existing operational structure and a constantly improved methodology that is fully endorsed by authorities and has proven successful is the most efficient option, i.e lesser time and cheaper, as there are no start-up costs and it will create economies of scale for the implementer’s human resources-related costs. In addition, MINEM explicitly confirmed the adequacy of this ongoing ***Programme*** for the fulfilment of most of the training needs identified under Component 1 and for the identification of relevant experiences for the Cuban context. The Direction of the ***Programme*** (Ministry of Economy and ***Planning***) and the Ministry in charge of Cooperation (MINCEX) also favour the participation of MINEM to the ongoing ***Programme***. The entrusted entity would carry out the following budget-implementation tasks: conducting procurement and managing the resulting contracts, carrying out payments to contractors and recovery of undue payments. FIIAPP will be entrusted with the implementation of Component 1 that groups activities/results under Specific Objective 1 and 2 (excluding R.1.3). A new delegation agreement under the same conditions as those established in the PAGODA with FIIAPP (grant delegation agreement) covering the current EU-Cuba Expertise Exchange ***Programme*** (ie, no local office or permanent Team Leader placed in Havana under the ***programme***, and same conditions for Human Resources). FIIAPP would be in charge of the pre-selection and mobility of relevant civil servants and experts for, among others, capacity building, on-the-job training, individual coaching, short and medium-term technical assistance, etc. FIIAPP would be also in charge of ensuring the logistics of the different activities (seminar, workshops, study visits, etc.) and the procurement of equipment, inputs and visibility material. 25 The Expertise Exchange ***Programme*** Cuba-UE II includes MINCEX, Ministry of Economy and ***Planning***, Ministry of Higher Education, Ministry of Justice, Ministry of Finance and Prices. [23] 5.4.1.4 Indirect management with UN Agencies A part of this action may be implemented in indirect management with United Nation Development ***Programme*** (UNDP) and United Nations Industrial Development Organisation (UNIDO) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails among other tasks: (i) the increase of energy efficiency of priority sectors in Cuba, in close cooperation with Cuban organisations already engaged at country level; (ii) capacity building on energy auditing and other related topics; (iii) the implementation of projects aimed at promoting EE in key sectors; (iv) supporting the assessment of RE potentials in rural areas (including the provision of measurement instruments); (v) the completion of the electrification by RE of those Cuban households not connected to the grid (around 6,000 un-served households in rural areas); (vi) the implementation of demonstrative projects using RE to provide sustainable energy for local development. The entrusted entity would carry out the following budget-implementation tasks: conducting procurement and managing the resulting contracts, awarding and managing grant contracts, carrying out payments to contractors and recovery of undue payments. The proposal is to delegate the implementation of this component to UN Agencies accredited in Cuba and with a long history of work and support in this sector, for activities/result under Specific Objectives 3 and 4. The first option would be to sign a PAGODA with UNDP and UNIDO. If it is not possible to reach an agreement for this modality, the alternative proposal would be to sign a PAGODA with UNDP ensuring a full participation of UNIDO for activities and results under Specific Objective 3, related to the development of energy efficiency measures in selected sectors. UNDP and UNIDO are well established in Cuba, enjoy excellent relations with the Cuban government and prove very relevant experience in the implementation of cooperation projects, including in the energy sector. UNDP and UNIDO trust-building process with MINEM started 3 years ago. Professional UNDP and UNIDO teams have been or are in charge of environment / energy projects: excellent experience with the implementation of the BASAL project (EU funding: EUR 7.6 million26 for the UNDP component27) and successful experience of UNIDO with the renewal energy project in the Isla de Juventud (EUR 5.34 million); UNIDO is also providing advisory support on Industrial Policy. This implementation modality is justified because of UNDP and UNIDO experience both in the thematic area and in the country. UNDP e.g is engaged in rural development including the electrification of 702 houses in the Guantanamo province, the realisation of 602 bio-digesters and the implementation of technologies. Design and implementation of demonstration and pilot projects, know-how transfer on RE and EE issues, capacity building involving officials and technicians, representatives of rural productive sectors and service providers of EE and RE applications are other reference activities. PNUD is also implementing at the moment the PADIT (Plataforma Articulada para el Desarrollo Integral Territorial de Cuba ***programme***, on territorial development. Also, UNDP experience in procurement of specialized equipment as well as the knowledge acquired under the EU-funded projects in the ***agricultural*** sectors on very specific and cumbersome importing procedures proves crucial to the success of this component considering the important bulk of equipment to be procured. UNIDO, starting in the 1990’s, strongly contributed to improve the skills of the operators of several industrial sectors for increasing energy efficiency and clean production in Cuban factories of various sizes (e.g project: “Red Nacional de Producción Más Limpia' involving more than 1,600 technical operators). The signature of the “Marco Programático de País” between the Cuban government and UNIDO in December 2015 provides a further proof for the trust and reputation UNIDO is enjoying in Cuba. This reconfirms Cuba's commitment to the exploitation of RE and the implementation of respective 26 COSUDE is also financing this project. 27 EUR 0.7 million are implemented by the JRC within the framework of the BASAL project. [24] environmental policies. UNIDO is also advising the government on formulating its industrial policy which offers a unique chance to implement Energy Efficiency as an obligatory principle in a priority sector in Cuba. 5.5 Scope of Geographical Eligibility for Procurement and Grants The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions: In accordance with Article 9(2)(a) of Regulation (EU) No 236/2014, the Commission decides that natural and legal persons from the following countries having traditional economic, trade or geographical links with neighbouring partner countries shall be eligible for participating in procurement and grant award procedures: CELAC member states. The supplies originating there shall also be eligible. The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with [Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult. 5.6 Indicative Budget EU Contribution (Amount in EUR) Indicative Third Party Contribution (Amount in EUR) Direct Contract (Call for Proposal) 5.4.1.1 Grants: Call for Proposals 'Support to the Implementation of Cuban Energy Policy' (Direct Management) 3,000,000 300,000 5.4.2.1 Indirect Management with FIIAPP 4,000,000 300,000 5.4.3.1 Indirect Management with UN Agencies (UNDP/UNIDO) 10,500,000 Audit and Evaluation 200,000 Contingencies 300,000 TOTAL 18,000,000 18,600,000 [25] 5.7 Organisational Set-up and Responsibilities 5.7.1 General Coordination The Cuban Energy Ministry (MINEM), is the central government entity responsible for proposing, controlling and implementing the National Energy Policy and its regulatory framework to foster the application of energy efficient technologies in all sectors as well as the increased use of renewable energy sources and to achieve Cuba's ambitious energy goals. MINEM, specifically the Directorate of Renewable Energies, will be the Cuban counterpart for this ***Programme***. As such, MINEM will be responsible for the overall coordination of the ***Programme***, in close collaboration with the EU Delegation in Cuba, and will ensure proper coordination among the international implementing agencies and the relevant national stakeholders (other Ministries, universities, research centres, energy sector State companies, local governments, etc.). 5.7.2 Institutional Arrangements MINEM will appoint a Director of the ***Programme*** who will ensure the overall coordination and coherence of the ***Programme***. MINEM will also nominate a management team mostly composed by officials from the Ministry that will lead the implementation of the Action on behalf of the Cuban counterpart, including day-to-day coordination of the ***Programme***, monitoring of activities, impacts and adjustment of the ***Programme***, if required. Both the Director and the management team will be in close contact with the EU Delegation. 5.7.3 Steering and Supervision A ***Programme*** Steering Committee, chaired by MINEM, will further guarantee the coherence and quality of all activities. A careful formulation of responsibilities of the Steering Committee and a meaningful selection of committee members will be ensured. The Steering Committee will meet at least once per year. Another technical/administrative committee will be created. It will be composed of, at least, the Director of the ***Programme***, the implementing entities28 with their national counterparts and the EU Delegation in Cuba. They will meet on a regular basis and steer and supervise the implementation of the ***Programme*** as ***planned***. 5.8 Performance Monitoring and Reporting The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the Action component for which they are responsible and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the Action component for which they are responsible, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the LogFrame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the Action. The final report, narrative and financial, will cover the entire period of the Action component for which they are responsible implementation. Before the signature of the corresponding contract, each implementing partner/implementer (see 4.3 above) together with the Cuban Government and with the assistance of the EU Delegation to Cuba, will 28 See point 5.4 [26] elaborate a LogFrame Matrix for the component under its responsibility. As for relevant baselines and milestones for indicators, they will be duly defined during the first year of implementation of the mentioned contracts. These baselines and milestones will be the base for the monitoring of the Action. The general LogFrame matrix of the whole ***Programme*** will be properly adapted in coherence with the baselines and milestones proposed for each component. MINEM, as main coordinator of the Action, will be responsible of the general monitoring and reporting of the whole Action. Besides regular meetings and exchanges, the Commission will undertake additional ***Programme*** monitoring visits through its own staff -at least two per year- and through independent consultants -at least one for each component- recruited by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews), based on previously defined indicators. 5.9 Evaluation With regards to the importance of the Action, a mid-term evaluation will be carried out for this action or its components via independent consultants contracted by the Commission and/or via an implementing partner. Mid-term evaluation will be carried out for learning purposes, in particular with respect to maximise the sustainability and impact of the ***programme***. Final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the Action will contribute to the implementation of governmental policies. The Commission shall inform the implementing partner at least three months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Indicatively, two (2) contracts for evaluation services shall be concluded in 2020 and 2022. 5.10 Audit Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. Indicatively, two (2) contracts shall be concluded following the signature of the Financing Agreement. 5.11 Communication and visibility Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility ***Plan*** of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section above. In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements. [27] The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plan*** of the Action and the appropriate contractual obligations. The communication and visibility measures will be executed by the implementation entities.

**Load-Date:** September 7, 2017

**End of Document**



[***Register of Commission documents:Instrument for Pre-accession Assistance (IPA II) Document date: 2017-05-30 EPRS\_BRI(2017)603957 Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-B041-JDG9-Y38H-00000-00&context=1516831)

Impact News Service

June 10, 2017 Saturday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 4138 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

Briefing How the EU budget is spent June 2017 EPRS | European Parliamentary Research Service Author: Martin Svášek Members' Research Service PE 603.957 EN Instrument for Pre-accession Assistance (IPA II) In a nutshell The Instrument for Pre-accession Assistance (IPA) is a ***programme*** of the European Union for enlargement countries that was established for the 2007 to 2013 ***programming*** period and that replaced several former pre-accession assistance ***programmes***. Under the current 2014 to 2020 multiannual financial framework, the new phase of the ***programme*** is called IPA II. The pre-accession funds help current and potential candidate countries to cope with political and economic reforms and to progressively align to the European Union's rules, standards, policies and practices on their path towards EU membership. EU's Multiannual Financial Framework (MFF) heading and policy area Heading 4 (Global Europe) 2014-20 financial envelope (in current prices and as % of total MFF) Commitments: €11 698.67 million (1.08 %) 2016 budget (in current prices and as % of total EU budget) Commitments: €1 662.3 million (1.07 %) Payments: €2 079.2 million (1.45 %) 2017 budget (in current prices and as % of total EU budget) Commitments: €2 114.7 million (1.36 %) Payments: €1 716.2 million (1.20 %) Methods of implementation Direct management (European Commission), indirect management (beneficiary countries) and shared management (Member States and beneficiary countries) In this briefing:  EU role in the policy area: legal basis  IPA II objectives  IPA II financial allocation  Measures funded  Assessment of IPA II and its predecessor  Other EU ***programmes*** in the same field EPRS Instrument for Pre-accession Assistance (IPA II) Members' Research Service Page 2 of 8 EU role in the policy area: legal basis The Treaty on the Functioning of the European Union (TFEU) establishes among the conditions for cooperation with third countries1 that 'the Union shall carry out economic, financial and technical cooperation measures, including assistance, in particular financial assistance, with third countries other than developing countries' (Article 212 TFEU). In this framework, Regulation (EU) No 231/2014 (the IPA II Regulation) establishes an instrument for pre-accession assistance (IPA II) to be the successor to the original IPA (Regulation (EC) No 1085/2006), which applied to the 2007-2013 ***programming*** period.2 Regulation (EU) No 236/2014 lays down common rules and procedures for the implementation of the IPA II and five other EU instruments for financing external action.

Commission Regulation (EU) No 447/2014 sets out specific rules for implementing IPA II. IPA II objectives IPA II helps countries that are candidates or potential candidates for EU membership to adapt their legal systems and economies in order to qualify to join the European Union. To accomplish the integration process, candidate countries must fulfil what are referred to as the Copenhagen criteria. IPA II funding supports beneficiaries in 'adopting and implementing the political, institutional, legal, administrative, social and economic reforms required ... in order to comply with the Union's values and to progressively align to the Union's rules, standards, policies and practices, with a view to Union membership'.3 The IPA II Regulation lists the following specific objectives:  support for political reforms;  support for economic, social and territorial development, with a view to smart, sustainable and inclusive growth;  strengthening of the ability of the beneficiaries to fulfil the obligations stemming from Union membership;  strengthening regional integration and territorial cooperation. IPA II addresses the following policy areas:  reforms in preparation for Union membership and related institution and capacity building;  socio-economic and regional development;  employment, social policies, education, promotion of gender equality, and human resources development;  ***agriculture*** and rural development;  regional and territorial cooperation. Currently, the beneficiaries of IPA II assistance are the Western Balkan countries (Albania, Bosnia and Herzegovina, Kosovo,4 Montenegro, Serbia, the former Yugoslav Republic of Macedonia) and Turkey (Regulation (EU) No 231/2014, Annex I). While Iceland is also mentioned among the candidate countries in Annex I, the country put accession negotiations on hold in May 2013 and the IPA was subsequently phased out. Each of the above-mentioned countries is at a different stage in its relations with the EU and each country's integration process advances at a pace defined by its own priorities. EPRS Instrument for Pre-accession Assistance (IPA II) Members' Research Service Page 3 of 8 IPA II financial allocation Under the current multiannual financial framework (MFF) for the 2014 to 2020 period, the IPA II allocation at current prices is €11 698.67 million, which represents 1.8 % of the total MFF. The sum roughly corresponds to the €11.5 million (at current prices) available under IPA I (2007-2013). Assistance under the IPA II Regulation (Figure 1) is provided on the basis of country and multi-country indicative strategy papers established for the duration of the current MFF.5 The strategy papers define the priorities for action in the relevant policy areas. They include the indicative allocation of EU funds per policy area, broken down by year, and indicators for assessing progress on reaching the targets set. These papers are the overarching ***strategic*** ***planning*** documents from which priorities and objectives of individual ***programmes*** derive. Turkey is by far the largest beneficiary of the IPA II funds (€4 453.9 million for 2014- 2020). Its share is bigger than the sum of allocations for all other individual countries.6 Similarly to other country strategy papers, the biggest share of the allocation for Turkey was earmarked for 'Reforms in preparation for Union membership' (€1 581.4 million), covering policy sectors 'Democracy and governance' and 'Rule of law and fundamental rights'. It is followed by 'Socio-economic and Regional development' (€1 525.3 million), with policy sectors such as Environment, Transport and Energy, and by '***Agriculture*** and rural development' (€912.2 million). In the context of the migration crisis, the Facility for refugees in Turkey (FRT) was set up in 2016 with a budget of €3 billion for 2016-2017 (€1 billion from the EU's general budget and €2 billion from the EU Member States) to coordinate resources from several financing instruments. IPA II is one of them, providing €650 million to be invested in nonhumanitarian aid.7 The EU budget for 2017 reflects it by increasing 'Support for political reforms and related progressive alignment with the Union acquis' in Turkey to €751.2 million in 2017, compared with €340.5 million in 2016. At the same time, recent political developments in the country led to a reduction in the IPA II contribution to Figure 1 – The IPA II (2014-2020) financial allocation per country (€ billion)\* \*Amounts for Bosnia and Herzegovina for the period 2018-2020 had not been decided by the end of 2014. Source: Indicative country strategy papers (2014-2020), European Commission, 2014. 0 1 2 3 4 2018-2020 2017 2016 2015 2014 EPRS Instrument for Pre-accession Assistance (IPA II) Members' Research Service Page 4 of 8 'Support for political reforms and related progressive alignment with the Union acquis' from €255.3 million in 2016 to €137.2 million in 2017.8 IPA II activities are implemented and managed in different ways, in accordance with the financial regulation.9 Under direct management, the Commission is in charge of implementing the budget. Indirect management means that budget implementation is delegated by the Commission to entrusted entities10 in the beneficiary countries, but the Commission retains overall final responsibility. Under shared management, which in the case of IPA II is an option only for cross-border cooperation ***programmes*** with EU countries, implementation activities are delegated to EU Member States. IPA II encourages the beneficiary countries to take primary ownership and responsibility for implementation. The Commission therefore applies the indirect management method, with the help of special 'national IPA coordinators' as its counterpart in the countries to support the overall process of ***strategic*** ***planning***, coordination of ***programming***, monitoring of implementation, evaluation, and reporting on IPA II assistance.11 Measures funded The European Union provides assistance for projects that are agreed on the basis of annual or multiannual action ***programmes*** for each participating country. Where there is a clear need for regional cooperation or horizontal action (e.g tackling cross-border problems, reaching efficiency by establishing harmonised approaches or facilitating networks of experts), areas of assistance are addressed through the multi-country action ***programmes***. IPA II also supports cross-border cooperation as a form of territorial cooperation with the aim of promoting good neighbourly relations, fostering EU integration and promoting socio-economic development in border areas between countries by means of joint local and regional initiatives.12 Three types of cross-border cooperation are possible:  between one or more Member States and one or more IPA II beneficiaries;  between two or more IPA II beneficiaries;  between an IPA II beneficiary and countries under the European Neighbourhood Instrument.13 IPA II focuses more on the sectoral approach than its predecessor for 2007 to 2013, which supported more stand-alone measures. In the ***programming*** phase, it presupposes an agreement on the policy sectors that have priority. This agreement of both sides (the EU and the country receiving the assistance) is incorporated into the strategy papers and implemented via projects that make up action ***programmes***. Nine sectors are defined for strategy papers (Box 1). On two occasions in the recent past, pre-accession funds have been used in exceptional circumstances. In the summer of 2014, after unprecedented floods in Bosnia and Herzegovina and Serbia, the Commission provided €42 million for Bosnia and Box 1 – The nine sectors defined for strategy papers 1. Democracy and governance 2. Rule of law and fundamental rights 3. Environment 4. Transport 5. Energy 6. Competitiveness and innovation 7. Education, employment and social policies 8. ***Agriculture*** and rural development 9. Cross-border cooperation (CBC) and regional cooperation Source: Quick guide to IPA II ***programming***, 2014. EPRS Instrument for Pre-accession Assistance (IPA II) Members' Research Service Page 5 of 8 Herzegovina and €30 million for Serbia from IPA resources to help both countries to recover.14 At the end of the year a special measure on flood recovery and flood risk management was adopted by the Commission to continue with help using the IPA. Similarly, between 2015 and 2016, when the migration crisis moved to the top on the political agenda and the migration flow was affecting Turkey, but also Serbia and the former Yugoslav Republic of Macedonia, the IPA has supported many migration-related activities in Turkey and Western Balkans. In Serbia, for instance, a total of €24.5 million of EU pre-accession funds have been allocated for effective management of the migration flow. The funds are being used for better border management, swifter transportation of people to asylum centres and improved reception conditions. In these cases, the EU also intervened with targeted financial instruments.15 Box 2 – Examples of IPA I support Investments in rule-of-law-related projects have helped countries to establish robust and professional law enforcement and judicial bodies, independent and free from external influence. The project 'Strengthening the Prosecutors' Network', for instance, helps increase cooperation among prosecutors in the Western Balkans and supports joint investigations in international crime cases. Under the heading of sustainable economy, the IPA has supported , for example, a Serbian startup company from Belgrade that has developed the transportable mini solar charger 'Strawberry Tree Mini' which can be used for charging small portable devices such as smart phones, cameras, and mp3 players. In Montenegro, in the framework of investment in people, the Gender Equality ***Programme*** has contributed to the political empowerment of women. In Turkey, a project aiming at increasing enrolment rates in particular for girls has led to young women attending secondary and vocational schools, while also providing specific training to improve women's working skills. In the area of ***agriculture*** and rural development, the EU has funded a comprehensive project in Bosnia and Herzegovina. The project has created a network of collectors, breeders, processors and purchasers of medicinal and aromatic plants, named the Machinery Ring, and provided the network with machines for harvest, distillation, storage, product processing and packaging. Source: European Commission, 2015. Assessment of IPA II and its predecessor The IPA II Regulation provides for the European Commission to assess progress on implementing the strategy papers (established in partnership with beneficiary countries) against the indicators set, on an annual basis. The strategy papers should be also reviewed at mid-term and revised as appropriate (Article 6). This mid-term exercise is currently taking place and the results are expected this year. The mid-term review report will cover the period from 1 January 2014 to 30 June 2017 and will focus on the achievement of the objectives of IPA II and the efficiency of the ***programme***.16 Western Balkans The European Court of Auditors (ECA) issued a meta-audit focused on the use of the IPA in the Western Balkans. Exploring the data from previous ECA special reports and Commission evaluations, it was seeking replies to two questions: whether the European Commission had managed the IPA in the Western Balkans well and whether the IPA had strengthened administrative capacity in the region. The ECA special report (Box 3) analysed a sample composed of the rule of law and public administration reform projects and regional ***programmes***, corresponding to the EPRS Instrument for Pre-accession Assistance (IPA II) Members' Research Service Page 6 of 8 contracting amount of €439 million. The sample covered 21 % of total investments in these thematic areas during the 2007-2013 period (IPA I) but it also included the first stages of the 2014-2020 period (IPA II). Five recommendations close the ECA report, stressing the need for well-defined specific objectives and measurable targets, a more selective approach to the indirect management of the IPA, systematic monitoring of ***programmes*** against predefined conditions, and a net reduction in future IPA allocations or suspension of payments, where appropriate. The ECA would also like to see a track record of effective investigation, prosecution and final convictions in cases of high-level corruption and organised crime in the countries that are IPA beneficiaries. Finally, ECA calls for regional cooperation and political dialogue to support the delivery of results. In its 2015 detailed thematic evaluation on IPA support for the fight against corruption, the European Commission finds that, overall, IPA support for anti-corruption measures is perceived as positive, and that the EU accession process has been the major driver of anti-corruption efforts in EU enlargement countries. Nevertheless, it also draws attention to the fact that the impact ***produced*** has not been sufficient and a lot remains to be done.17 Turkey In 2009, the ECA published a special report dedicated to pre-accession funding in Turkey and the European Commission's management of it. Last year, the European Parliament commissioned an external study, which presents a follow-up to ECA's special report and provides answers to the questions asked in the title of the publication: 'Turkey: How the pre-accession funds have been spent, managed, controlled and the monitoring system?'. The publication concentrates on three study areas: pre-accession funding, European Investment Bank loans to Turkey and EU funding for Syrian and Iraqi refugees located in Turkey. Box 3 – ECA meta-audit on use of the IPA in the Western Balkans The report is critical of the fact that the IPA I objectives were not always specific and measurable through specific targets. The projects examined by the ECA did not consider the countries' actual political will for reform. The situation is different under IPA II because the indicative strategy papers have paid more attention to beneficiaries' capacity to commit to sector reform at political level and manage IPA funding. The ECA observed a relatively low level of absorption caused mainly by the weak administrative capacity of Western Balkan countries. The decentralisation of significant parts of IPA management required a learning period and a more demanding management structure. As a result, between 20 % (Serbia) and 30 % (FYR Macedonia) of IPA I allocations were still to be contracted at the end of 2015. At the same time, between less than 20 % (Kosovo) and more than 40 % (FYR Macedonia) of allocations had been contracted and had still to be paid. The Commission did not systematically apply strict conditions prior to contracting or payment, whether at political, ***programme*** or project level. The report highlights the exceptional case of Bosnia and Herzegovina and its lack of political will to enforce a European Court of Human Rights judgment in 2013. The Commission then applied conditionality by reducing the 2013 IPA I allocation by €45 million and imposing further reductions of allocations. Under IPA II, from 2014 until 2017, €165 million were allocated to that country, as compared with €331 million from 2007 to 2010. As regards the strengthening of the administrative capacity in the Western Balkans, the Commission effectively delivered the intended outputs, according to the ECA. The IPA for the rule of law and public administration reform was partly sustainable, while the impact of IPA I on the fight against corruption and organised crime was limited. Source: Special report No 21/2016, European Court of Auditors, 2016. EPRS Instrument for Pre-accession Assistance (IPA II) Members' Research Service Page 7 of 8 The study criticises the IPA II's sectoral approach as being the 'repackaging of previous approaches, but with less transparency'. It also points out that there has been a limited amount of publicly available monitoring information since the ECA issued its special report. It questions the volume of pre-accession funding (as the effectiveness of previous assistance is 'largely unknown') and notes that historically, utilisation rates in Turkey have been lower than in other candidate countries. The study also found it difficult to assess whether Turkey was moving towards EU standards (and EU membership) or was rather moving in the opposite direction. There are some similarities between the recommendations in the study about Turkey and those included in the ECA special report on the Western Balkan countries, namely concerning the evaluation criteria. The authors of the study commissioned by the European Parliament call for clear ***intervention*** objectives and indicators for preaccession and for the completion of the sector monitoring framework by the Commission. They would like to find information about pre-accession assistance more easily on the Commission's website. They also encourage the Commission to develop more coherent evaluation guidelines. Other EU ***programmes*** in the same field The IPA unified many of the instruments for pre-accession assistance that applied in previous enlargement rounds (Phare, SAPARD, ISPA, CARDS). When it comes to the other EU foreign policy instruments indicated below, candidate countries may benefit only from the European Instrument for Democracy and Human Rights. The Development Cooperation Instrument (DCI) has the primary objective of eradicating poverty. It applies to all developing countries, except those eligible for pre‐accession assistance. The European Neighbourhood Instrument (ENI) funds EU efforts to cooperate with and promote development in 16 countries and territories on its eastern and southern frontiers, as part of the European neighbourhood policy. It works as a substitute for preaccession investment in countries with little or no prospect of accession. The Instrument contributing to Stability and Peace (IcSP) supports security initiatives and peace-building activities in partner countries all over the world. The European Instrument for Democracy and Human Rights (EIDHR) supports projects in the area of human rights and fundamental freedoms and strengthens the rule of law and democratic reform in countries outside the EU, including enlargement countries. The Partnership Instrument's (PI) overall objective is to advance and promote EU interest by supporting the external dimension of EU internal policies and by addressing major global challenges, such as energy security, climate change and the environment. Macro-financial assistance (MFA) is an instrument designed to help EU candidate, potential candidate and neighbourhood countries in an acute balance-of-payments crisis by means of a loan or a grant from the EU. A MFA operation is exceptional and temporary, is based on economic and political conditions and is linked to an International Monetary Fund adjustment ***programme***. EPRS Instrument for Pre-accession Assistance (IPA II) Members' Research Service Page 8 of 8 Endnotes 1 Title III on cooperation with third countries and humanitarian aid. 2 In 2017, implementation of IPA (2007-2013) is still underway. 3 Regulation (EU) No 231/2014, Article 2. 4 It is stated in the text of Regulation 231/2014 that 'This designation [Kosovo] is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence'. 5 See the dedicated website of DG NEAR. 6 Cross-country cooperation and multi-country assistance are not included. 7 Communication from the Commission to the European Parliament and the Council – First Annual Report on the Facility for Refugees in Turkey, COM/2017/0130 final of 2 March 2017. 8 See the 2017 EU general budget article 22 02 03 Support to Turkey. 9 See Regulation (EU, EURATOM) No 966/2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002. 10 They can be the IPA II beneficiary country or an entity designated by it, an agency of a Member State, an international organisation, or an EU specialised (but not executive) agency. 11 See Regulation (EU) No 447/2014, Article 4. 12 For details, see Title VI of the Commission Implementing Regulation (EU) No 447/2014. 13 M. Parry, European Neighbourhood Instrument, EPRS, European Parliament, October 2016. 14 Commission implementing decision adopting a special measure on flood recovery and flood risk management in Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro, the Republic of Serbia and Turkey, C(2014) 9797 final of 17 December 2014. NB: Footnote 4 addresses the name of Kosovo. 15 EU Floods Recovery ***Programme*** for Bosnia and Herzegovina. The EU Regional Trust Fund, known as the Madad Fund, is pooling resources including from the IPA allocation to Turkey. For more details about EU trust funds, see A. D'Alfonso, B. Immenkamp, EU Trust Funds for external action. First uses of a new tool, EPRS, European Parliament, November 2015; for details about the migration crisis in the Western Balkans, see V. Lilyanova, The Western Balkans: Frontline of the migrant crisis, EPRS, European Parliament, January 2016. 16 Regulation (EU) No 236/2014, Article 17. 17 Thematic evaluation on IPA support to the fight against corruption. Final report, European Union, 2016, p. 9. Disclaimer and Copyright The content of this document is the sole responsibility of the author and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2017. Photo credits: © M.Dörr & M.Frommherz / Fotolia. [*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu) [*http://www.eprs.ep.parl.union.eu*](http://www.eprs.ep.parl.union.eu) (intranet)   [*http://www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (internet)   [*http://epthinktank.eu*](http://epthinktank.eu) (blog)

**Load-Date:** August 1, 2017

**End of Document**



[***Washington: FURTHER SUPPLEMENTAL APPROPRIATIONS ACT, 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R8R-X2Y1-JDG9-Y02D-00000-00&context=1516831)

Impact News Service

December 27, 2017 Wednesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 47724 words

**Body**

Washington: The Library of Congress, The Government Washington: of USA has issued the following house proceeding:

 General Leave Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and to include extraneous material on H.R 4667. The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey? There was no objection. Mr. FRELINGHUYSEN.

Mr. Speaker, pursuant to House Resolution 670, I call up the bill (H.R 4667) making further supplemental appropriations for the fiscal year ending September 30, 2018, for disaster assistance for Hurricanes Harvey, Irma, and Maria, and calendar year 2017 wildfires, and for other purposes, and ask for its immediate consideration. The Clerk read the title of the bill. The SPEAKER pro tempore. Pursuant to House Resolution 670, the amendments printed in House Report 115-477 are adopted. The bill, as amended, contains an emergency designation pursuant to section 4(g)(1) of the Statutory Pay-As-You-Go Act of 2010. Accordingly, the Chair must put the question of consideration under section 4(g)(2) of the Statutory Pay-As-You-Go Act of 2010. The question is, Will the House now consider the bill? The question of consideration was decided in the affirmative. The SPEAKER pro tempore. The bill, as amended, is considered read. The text of the bill, as amended, is as follows: H.R 4667 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, DIVISION A--DISASTER ASSISTANCE The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2018, and for other purposes, namely: [[Page H10365]] TITLE I DEPARTMENT OF ***AGRICULTURE*** Office of the Secretary For an additional amount for the ``Office of the Secretary'', $2,600,000,000, which shall remain available until September 30, 2019, for necessary expenses related to crops, trees, bushes, vines, and livestock losses resulting from Hurricanes Harvey, Irma, Maria, and other hurricanes and wildfires occurring in calendar year 2017 under such terms and conditions as determined by the Secretary: Provided, That the Secretary may provide assistance for such losses in the form of block grants to eligible states and territories: Provided further, That the total amount of payments received under this heading and applicable policies of crop insurance under the Federal Crop Insurance Act (7 U.S.C 1501 et seq.) or the Noninsured Crop Disaster Assistance ***Program*** (NAP) under section 196 of the Federal ***Agriculture*** Improvement and Reform Act of 1996 (7 U.S.C 7333) shall not exceed 85 percent of the loss as determined by the Secretary: Provided further, That the total amount of payments received under this heading for ***producers*** who did not obtain a policy or ***plan*** of insurance for an insurable commodity for the 2017 crop year, or 2018 crop year in the case of citrus, under the Federal Crop Insurance Act (7 U.S.C 1501 et seq.) for the crop incurring the losses or did not file the required paperwork and pay the service fee by the applicable State filing deadline for a noninsurable commodity for the 2017 crop year under NAP for the crop incurring the losses shall not exceed 65 percent of the loss as determined by the Secretary: Provided further, That ***producers*** receiving payments under this heading, as determined by the Secretary, shall be required to purchase crop insurance where crop insurance is available for the next two available crop years, and ***producers*** receiving payments under this heading shall be required to purchase coverage under NAP where crop insurance is not available in the next two available crop years, as determined by the Secretary: Provided further, That, not later than 90 days after the end of fiscal year 2018, the Secretary shall submit a report to the Congress specifying the type, amount, and method of such assistance by state and territory and the status of the amounts obligated and ***plans*** for further expenditure and include improvements that can be made to Federal Crop Insurance policies, either administratively or legislatively, to increase participation, particularly among underserved ***producers***, in higher levels of coverage in future years for crops qualifying for assistance under this heading: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Office of Inspector General For an additional amount for ``Office of Inspector General'', $2,500,000, to remain available until expended, for oversight and audit of ***programs***, grants, and activities funded by this division and administered by the Department of ***Agriculture***: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. ***Agricultural*** Research Service buildings and facilities For an additional amount for ``Buildings and Facilities'', $22,000,000, to remain available until expended, for necessary expenses related to the consequences of Hurricanes Harvey, Irma and Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Farm Service Agency emergency conservation ***program*** For an additional amount for the ``Emergency Conservation ***Program***'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria and of wildfires occurring in calendar year 2017, and other natural disasters, $400,000,000, to remain available until expended: Provided, That not less than $300,000,000 of the amount made available in the previous proviso shall be for necessary expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.): Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Natural Resources Conservation Service watershed and flood prevention operations For an additional amount, for ``Watershed and Flood Prevention Operations'', for necessary expenses for the Emergency Watershed Protection ***Program*** related to the consequences of Hurricanes Harvey, Irma, and Maria and of wildfires occurring in calendar year 2017, and other natural disasters, $541,000,000, to remain available until expended: Provided, That not less than $400,000,000 of the amount made available in the previous proviso shall be for necessary expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.): Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. RURAL DEVELOPMENT ***PROGRAMS*** Rural Housing Service rural housing insurance fund ***program*** account For an additional amount for costs of direct loans, including costs relating to modification of such loans, as those terms are defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C 661a), $18,672,000 shall be for direct loans for the rehabilitation of section 515 rental housing (42 U.S.C 1485) in locations where owners were not required to carry national flood insurance, to remain available until September 30, 2019: Provided, That such funds shall be for areas impacted by Hurricanes Harvey, Irma, and Maria: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Rural Utilities Service rural water and waste disposal ***program*** account For an additional amount for the ``Rural Water and Waste Disposal ***Program*** Account'', $165,475,000, to remain available until expended, for grants to repair drinking water systems and sewer and solid waste disposal systems impacted by Hurricanes Harvey, Irma, and Maria: Provided, That not to exceed $2,000,000 of the amount appropriated under this heading shall be for technical assistance grants for rural water and waste systems pursuant to section 306(a)(14) of the Consolidated Farm and Rural Development Act: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Food and Nutrition Service commodity assistance ***program*** For an additional amount for ``Commodity Assistance ***Program***'' for the emergency food assistance ***program*** as authorized by section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C 2036(a)) and section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C 7508(a)(1)), $24,000,000, to remain available until September 30, 2019: Provided, That notwithstanding any other provisions of the Emergency Food Assistance Act of 1983, the Secretary of ***Agriculture*** may allocate additional foods and funds for administrative expenses from resources specifically appropriated, transferred, or reprogrammed to provide resources to Puerto Rico, the United States Virgin Islands, and States affected by wildfires occurring in calendar year 2017 or Hurricanes Harvey, Irma, and Maria, as determined by the Secretary, without regard to sections 204 and 214 of such Act (7 U.S.C 7508, 7515): Provided further, That such funds will be designated for States impacted by Hurricanes Harvey, Irma, and Maria, or wildfire and subject to a federal major disaster or emergency declaration: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. DEPARTMENT OF HEALTH AND HUMAN SERVICES Food and Drug Administration buildings and facilities (including transfer of funds) For an additional amount for ``Buildings and Facilities'', $7,600,000, to remain available until expended, for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria: Provided, That such amount may be transferred to ``Department of Health and Human Services-- Food and Drug Administration Salaries and Expenses'' for costs related to repair of facilities, for replacement of equipment, and for other increases in facility-related costs: Provided further, That obligations incurred for the purposes provided herein prior to the date of enactment of this Act may be charged to funds appropriated by this paragraph: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. GENERAL PROVISION--THIS TITLE Sec. 101. (a) Section 1501(d)(1) of the ***Agricultural*** Act of 2014 (7 U.S.C 9081(d)(1)) is amended by striking ``not more than $20,000,000'' and inserting ``not more than $40,000,000''. (b) The amount provided by subsection (a) for fiscal year 2018 is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. TITLE II DEPARTMENT OF COMMERCE Economic Development Administration economic development assistance ***programs*** (including transfers of funds) Pursuant to section 703 of the Public Works and Economic Development Act (42 U.S.C 3233), for an additional amount for ``Economic Development Assistance ***Programs***'' for necessary expenses related to [[Page H10366]] flood mitigation, disaster relief, long-term recovery, and restoration of infrastructure in areas that received a major disaster designation as a result of Hurricanes Harvey, Irma, and Maria, and the calendar year 2017 wildfires, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.), $600,000,000, to remain available until expended: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That within the amount appropriated, up to 2 percent of funds may be transferred to the ``Salaries and Expenses'' account for administration and oversight activities: Provided further, That within the amount appropriated, $1,000,000 shall be transferred to the ``Office of Inspector General'' account for carrying out investigations and audits related to the funding provided under this heading. National Oceanic And Atmospheric Administration operations, research, and facilities For an additional amount for ``Operations, Research, and Facilities'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $120,904,000, to remain available until September 30, 2019, as follows: (1) $12,904,000 for repair and replacement of observing assets, Federal real property, and equipment; (2) $18,000,000 for marine debris assessment and removal; (3) $40,000,000 for mapping, charting, and geodesy services; and (4) $50,000,000 to improve weather forecasting, hurricane intensity forecasting and flood forecasting and mitigation capabilities, including data assimilation from ocean observing platforms and satellites: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. procurement, acquisition and construction For an additional amount for ``Procurement, Acquisition and Construction'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $79,232,000, to remain available until September 30, 2020, as follows: (1) $29,232,000 for repair and replacement of Federal real property and observing assets; and (2) $50,000,000 for improvements to operational and research weather supercomputing infrastructure and for improvement of satellite ground services used in hurricane intensity and track prediction: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. DEPARTMENT OF JUSTICE United States Marshals Service salaries and expenses For an additional amount for ``Salaries and Expenses'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $2,500,000: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Federal Bureau of Investigation salaries and expenses For an additional amount for ``Salaries and Expenses'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $21,200,000: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Drug Enforcement Administration salaries and expenses For an additional amount for ``Salaries and Expenses'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $11,500,000: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Federal Prison System salaries and expenses For an additional amount for ``Salaries and Expenses'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $16,000,000: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. buildings and facilities For an additional amount for ``Buildings and Facilities'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $34,000,000, to remain available until expended: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. SCIENCE National Aeronautics and Space Administration construction and environmental compliance and restoration For an additional amount for ``Construction and Environmental Compliance and Restoration'' for repairs at National Aeronautics and Space Administration facilities damaged by hurricanes during 2017, $81,300,000, to remain available until expended: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. National Science Foundation research and related activities For an additional amount for ``Research and Related Activities'' for necessary expenses to repair National Science Foundation radio observatory facilities damaged by hurricanes that occurred during 2017, $16,300,000, to remain available until expended: Provided, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That the National Science Foundation shall submit a spending ***plan*** to the Committees on Appropriations of the House of Representatives and the Senate within 45 days after the date of enactment of this Act. RELATED AGENCIES Legal Services Corporation payment to the legal services corporation For an additional amount for ``Payment to the Legal Services Corporation'' to carry out the purposes of the Legal Services Corporation Act by providing for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $1,000,000: Provided, That the amount made available under this heading shall be used only to provide the mobile resources, technology, and disaster coordinators necessary to provide storm-related services to the Legal Services Corporation client population and only in the areas significantly affected by Hurricanes Harvey, Irma, and Maria: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That none of the funds appropriated in this division to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of, sections 501, 502, 503, 504, 505, and 506 of Public Law 105-119, and all funds appropriated in this division to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such sections, except that all references in sections 502 and 503 to 1997 and 1998 shall be deemed to refer instead to 2017 and 2018, respectively, and except that sections 501 and 503 of Public Law 104-134 (referenced by Public Law 105-119) shall not apply to the amount made available under this heading: Provided further, That, for the purposes of this division, the Legal Services Corporation shall be considered an agency of the United States Government. TITLE III DEPARTMENT OF DEFENSE DEPARTMENT OF DEFENSE--MILITARY OPERATION AND MAINTENANCE operation and maintenance, army For an additional amount for ``Operation and Maintenance, Army'', $20,110,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. operation and maintenance, navy For an additional amount for ``Operation and Maintenance, Navy'', $267,796,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. operation and maintenance, marine corps For an additional amount for ``Operation and Maintenance, Marine Corps'', $17,920,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. operation and maintenance, air force For an additional amount for ``Operation and Maintenance, Air Force'', $20,916,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. operation and maintenance, defense-wide For an additional amount for ``Operation and Maintenance, Defense-Wide'', $2,650,000, [[Page H10367]] to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. operation and maintenance, army reserve For an additional amount for ``Operation and Maintenance, Army Reserve'', $12,500,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. operation and maintenance, navy reserve For an additional amount for ``Operation and Maintenance, Navy Reserve'', $2,922,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. operation and maintenance, air force reserve For an additional amount for ``Operation and Maintenance, Air Force Reserve'', $5,770,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. operation and maintenance, army national guard For an additional amount for ``Operation and Maintenance, Army National Guard'', $55,471,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. PROCUREMENT other procurement, navy For an additional amount for ``Other Procurement, Navy'' $18,000,000, to remain available until September 30, 2020, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Revolving and Management Funds defense working capital funds For an additional amount for ``Defense Working Capital Funds'' for the Navy Working Capital Fund, $9,486,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Other Department of Defense ***Programs*** defense health ***program*** For an additional amount for operation and maintenance for ``Defense Health ***Program***'', $704,000, to remain available until September 30, 2018, for necessary expenses related to the consequences of Hurricanes Harvey, Irma or Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. TITLE IV CORPS OF ENGINEERS--CIVIL DEPARTMENT OF THE ARMY Corps of Engineers--Civil investigations For an additional amount for ``Investigations'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $75,000,000, to remain available until expended to expedite and complete at full Federal expense studies, including Preconstruction Engineering and Design, for flood and storm damage reduction, including shore protection, in areas that were affected by Hurricanes Harvey, Irma, or Maria: Provided, That the Secretary may use funding provided under this heading to complete ongoing studies, to initiate and complete up to two authorized studies for assessing regional flood and storm risks, and to initiate and complete up to six authorized feasibility studies: Provided further, That the Secretary shall consider giving priority to studies in areas that suffered the most damage from these hurricanes and to studies in areas that have had multiple major disaster declarations in recent years: Provided further, That a report identifying all ongoing studies, authorized studies for assessing regional flood and storm risks in the impacted areas, and authorized feasibility studies eligible for funding under this heading, including identification of whether each study is in a category to be considered for priority, shall be submitted to the Committees on Appropriations of the House of Representatives and the Senate not later than 30 days after the date of enactment of this Act: Provided further, That no allocation shall be made to initiate any new study until the Secretary submits to the Committees on Appropriations of the House of Representatives and the Senate a list of all new studies selected to be initiated using funds provided under this heading: Provided further, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That beginning not later than 60 days after the date of enactment of this Act, the Assistant Secretary of the Army for Civil Works shall provide monthly reports to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds. construction For an additional amount for ``Construction'' for necessary expenses related to the consequences of natural disasters, including Hurricanes Harvey, Irma, and Maria, $10,480,000,000, to remain available until expended to rehabilitate, repair, and construct United States Army Corps of Engineers projects: Provided, That $55,000,000 of the funds provided under this heading shall be used to address emergency situations at Corps of Engineers projects, and to rehabilitate and repair damages to Corps of Engineers projects, caused by natural disasters: Provided further, That $10,425,000,000 of the funds provided under this heading shall be used to expedite construction of projects for flood and storm damage reduction, including shore protection, in areas that were affected by Hurricanes Harvey, Irma, or Maria: Provided further, That the Secretary shall consider giving priority to projects located in areas that suffered the most damage from these hurricanes and to projects located in areas that have had multiple major disaster declarations in recent years: Provided further, That funding utilized for authorized shore protection projects shall restore such projects from the design level of protection to the full project profile at full Federal expense: Provided further, That the completion of ongoing construction projects receiving funds provided under this heading shall be at full Federal expense with respect to such funds: Provided further, That upon approval of the Committees on Appropriations of the House of Representatives and the Senate funds provided under this heading may be used to construct any project studied using funds provided under the heading ``Investigations'' or any project with a completed Chief's Report that has not yet been authorized if the Secretary determines that the project is technically feasible, economically justified, and environmentally acceptable: Provided further, That, using these funds, the non-Federal cash contribution for authorized but unconstructed projects, projects with completed Chief's Reports that have not yet been authorized, or projects that are funded as ongoing studies under the heading ``Investigations'' shall be financed in accordance with the provisions of section 103(k) of Public Law 99-662 over a period of 30 years from the date of completion of the project or separable element: Provided further, That a report identifying all ongoing construction projects, authorized but unconstructed projects, and projects with completed Chief's Reports that have not yet been authorized, including project cost estimates and identification of whether each project is in a category to be considered for priority, shall be submitted to the Committees on Appropriations of the House of Representatives and the Senate not later than 45 days after the date of enactment of this Act: Provided further, That not more than $500,000,000 of the funds provided to expedite construction shall be available until such report is submitted: Provided further, That for projects funded under this heading, the provisions of section 902 of the Water Resources Development Act of 1986 shall not apply to these funds: Provided further, That up to $50,000,000 of the funds provided to expedite construction shall be used to expedite continuing authorities projects to reduce the risk of flooding and storm damage in areas impacted by Hurricanes Harvey, Irma, or Maria: Provided further, That any projects using funds appropriated under this heading shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary requiring the non- Federal interests to pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs of the project and to hold and save the United States free from damages due to the construction or operation and maintenance of the project, except for damages due to the fault or negligence of the United States or its contractors: Provided further, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That beginning not later than 60 days after the date of enactment of this Act, the Assistant Secretary of the Army for Civil Works shall provide monthly reports to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds. mississippi river and tributaries For an additional amount for ``Miss

issippi River and Tributaries'', $370,000,000, to remain available until expended, for necessary [[Page H10368]] expenses to dredge navigation projects in response to, and repair damages to Corps of Engineers projects caused by, natural disasters: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That beginning not later than 60 days after the date of enactment of this Act, the Assistant Secretary of the Army for Civil Works shall provide monthly reports to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds. operation and maintenance For an additional amount for ``Operation and Maintenance'' for necessary expenses to dredge navigation projects in response to, and repair damages to Corps of Engineers projects caused by, natural disasters, $608,000,000, to remain available until expended, of which such sums as are necessary to cover the Federal share of eligible operation and maintenance costs for coastal harbors and channels, and for inland harbors shall be derived from the Harbor Maintenance Trust Fund: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That beginning not later than 60 days after the date of enactment of this Act, the Assistant Secretary of the Army for Civil Works shall provide monthly reports to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds. flood control and coastal emergencies For an additional amount for ``Flood Control and Coastal Emergencies'', as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C 701n), for necessary expenses to prepare for flood, hurricane and other natural disasters and support emergency operations, repairs, and other activities in response to such disasters, as authorized by law, $537,000,000, to remain available until expended: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That beginning not later than 60 days after the date of enactment of this Act, the Assistant Secretary of the Army for Civil Works shall provide monthly reports to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds. expenses For an additional amount for ``Expenses'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $20,000,000, to remain available until expended to oversee emergency response and recovery activities: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That beginning not later than 60 days after the date of enactment of this Act, the Assistant Secretary of the Army for Civil Works shall provide monthly reports to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds. DEPARTMENT OF ENERGY ENERGY ***PROGRAMS*** Electricity Delivery and Energy Reliability For an additional amount for ``Electricity Delivery and Energy Reliability'', $13,000,000, to remain available until expended, for necessary expenses related to natural disasters, including technical assistance related to electric grids: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. ***Strategic*** Petroleum Reserve For an additional amount for ``***Strategic*** Petroleum Reserve'', $8,716,000, to remain available until expended, for necessary expenses related to damages caused by natural disasters: Provided, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. GENERAL PROVISION--THIS TITLE Sec. 401. In fiscal year 2018 and each fiscal year thereafter, the Chief of Engineers of the U.S Army Corps of Engineers shall transmit to the Congress, after reasonable opportunity for comment, but without change, by the Assistant Secretary of the Army for Civil Works, a monthly report, the first of which shall be transmitted to Congress not later than 2 days after the date of enactment of this Act and monthly thereafter, which includes detailed estimates of damages to each Corps of Engineers project, caused by natural disasters or otherwise. TITLE V General Services Administration federal buildings fund For an additional amount to be deposited in the ``Federal Buildings Fund'', $126,951,000, to remain available until expended, for necessary expenses related to the consequences of Hurricanes Harvey, Maria, and Irma, for repair and alteration of buildings under the custody and control of the Administrator of General Services, and real property management and related activities not otherwise provided for: Provided, That funds may be used to reimburse the ``Federal Buildings Fund'' for obligations incurred for this purpose prior to enactment of this Act: Provided further, That not more than $15,000,000 shall be available for tenant improvements in damaged U.S courthouses: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Small Business Administration disaster loans ***program*** account (including transfer of funds) For an additional amount for the ``Small Business Administration--Disaster Loans ***Program*** Account'' for the cost of direct loans authorized by section 7(b) of the Small Business Act, $1,652,000,000, to remain available until expended: Provided, That up to $618,000,000 may be transferred to and merged with ``Salaries and Expenses'' for administrative expenses to carry out the disaster loan ***program*** authorized by section 7(b) of the Small Business Act: Provided further, That none of the funds provided under this heading may be used for indirect administrative expenses: Provided further, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Office of Inspector General For an additional amount for the ``Small Business Administration--Office of Inspector General'', $7,000,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. TITLE VI DEPARTMENT OF HOMELAND SECURITY Office of Inspector General operations and support For an additional amount for ``Operations and Support'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $25,000,000, to remain available until September 30, 2020, for audits and investigations of activities funded by this title: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. U.S Customs and Border Protection operations and support For an additional amount for ``Operations and Support'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $104,494,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That not more than $39,400,000 may be used to carry out U.S Customs and Border Protection activities in fiscal year 2018 in Puerto Rico and the United States Virgin Islands, in addition to any other amounts available for such purposes. procurement, construction, and improvements For an additional amount for ``Procurement, Construction, and Improvements'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $3,000,000, to remain available until September 30, 2022: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That funds are provided to carry out U.S Customs and Border Protection activities in Puerto Rico and the United States Virgin Islands, in addition to any other amounts available for such purposes. U.S Immigration and Customs Enforcement operations and support For an additional amount for ``Operations and Support'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $30,905,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. procurement, construction, and improvements For an additional amount for ``Procurement, Construction, and Improvements'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $33,052,000, to remain available until September 30, 2022: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Transportation Security Administration operations and support For an additional amount for ``Operations and Support'' for necessary expenses related [[Page H10369]] to the consequences of Hurricanes Harvey, Irma, and Maria, $10,322,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Coast Guard operating expenses For an additional amount for ``Operating Expenses'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $112,136,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. environmental compliance and restoration For an additional amount for ``Environmental Compliance and Restoration'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $4,038,000, to remain available until September 30, 2022: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. acquisition, construction, and improvements For an additional amount for ``Acquisition, Construction, and Improvements'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, Maria, and Matthew, $718,919,000, to remain available until September 30, 2022: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Federal Emergency Management Agency operations and support For an additional amount for ``Operations and Support'' for necessary expenses, $58,800,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. procurement, construction, and improvements For an additional amount for ``Procurement, Construction, and Improvements'' for necessary expenses, $1,200,000, to remain available until September 30, 2020: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. disaster relief fund (including transfer of funds) For an additional amount for ``Disaster Relief Fund'' for major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.), $27,500,000,000, to remain available until expended: Provided, That the Administrator of the Federal Emergency Management Agency shall publish on the Agency's website not later than 5 days after an award of a public assistance grant under section 406 or 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5172 or 5189f) that is in excess of $1,000,000, the specifics of each such grant award: Provided further, That for any mission assignment or mission assignment task order to another Federal department or agency regarding a major disaster in excess of $1,000,000, not later than 5 days after the issuance of such mission assignment or mission assignment task order, the Administrator shall publish on the Agency's website the following: the name of the impacted State, the disaster declaration for such State, the assigned agency, the assistance requested, a description of the disaster, the total cost estimate, and the amount obligated: Provided further, That not later than 10 days after the last day of each month until a mission assignment or mission assignment task order described in the preceding proviso is completed and closed out, the Administrator shall update any changes to the total cost estimate and the amount obligated: Provided further, That for a disaster declaration related to Hurricanes Harvey, Irma, or Maria, the Administrator shall submit to the Committees on Appropriations of the House of Representatives and the Senate, not later than 5 days after the first day of each month beginning after the date of enactment of this Act, and shall publish on the Agency's website, not later than 10 days after the first day of each such month, an estimate or actual amount, if available, for the current fiscal year of the cost of the following categories of spending: public assistance, individual assistance, operations, mitigation, administrative, and any other relevant category (including emergency measures and disaster resources): Provided further, That not later than 10 days after the first day of each month, the Administrator shall publish on the Agency's website the report (referred to as the Disaster Relief Monthly Report) as required by Public Law 114-4. Of the amounts provided under this heading for the Disaster Relief Fund, up to $4,000,000,000 may be transferred to the Disaster Assistance Direct Loan ***Program*** Account for the cost of direct loans as authorized under section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5184) to be used to assist local governments in providing essential services as a result of Hurricanes Harvey, Irma, or Maria: Provided further, That such amounts may subsidize gross obligations for the principal amount of direct loans not to exceed $4,000,000,000 under section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5184): Provided further, That notwithstanding section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5184), a territory or possession, and instrumentalities and local governments thereof, of the United States shall be deemed to be a local government for purposes of this paragraph: Provided further, That notwithstanding section 417(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5184(b)), the amount of any such loan issued to a territory or possession, and instrumentalities and local governments thereof, may be based on the projected loss of tax and other revenues and on projected cash outlays not previously budgeted for a period not to exceed 180 days from the date of the major disaster, and may exceed $5,000,000: Provided further, That notwithstanding any other provision of law or the constitution of a territory or possession that limits the issuance of debt, a territory or possession, and instrumentalities and local governments thereof, may each receive more than one loan with repayment provisions and other terms specific to the type of lost tax and other revenues and on projected unbudgeted cash outlays for which the loan is provided: Provided further, That notwithstanding section 417(c)(1) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5184(c)(1)), loans to a territory or possession, and instrumentalities and local governments thereof, may be cancelled in whole or in part only at the discretion of the Secretary of Homeland Security in consultation with the Secretary of the Treasury: Provided further, That notwithstanding any other provision of law, the Secretary of Homeland Security, in consultation with the Secretary of the Treasury, shall determine the terms, conditions, eligible uses, and timing and amount of Federal disbursements of loans issued to a territory or possession, and instrumentalities and local governments thereof: Provided further, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C 661a): Provided further, That the Federal Emergency Management Agency may transfer up to 1.5 percent of the amount under this paragraph to the Disaster Assistance Direct Loan ***Program*** Account for administrative expenses to carry out under this paragraph the direct loan ***program***, as authorized by section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5184): Provided further, That of the amount provided under this paragraph for transfer, up to $150,000,000 may be transferred to the Disaster Assistance Direct Loan ***Program*** Account for the cost to lend a territory or possession of the United States that portion of assistance for which the territory or possession is responsible under the cost-sharing provisions of the major disaster declaration for Hurricanes Irma or Maria, as authorized under section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5162): Provided further, That of the amount provided under this paragraph for transfer, up to $1,000,000 may be transferred to the Disaster Assistance Direct Loan ***Program*** Account for administrative expenses to carry out the Advance of Non-Federal Share ***program***, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5162): Provided further, That the amount provided under this heading is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Federal Law Enforcement Training Centers operations and support For an additional amount for ``Operations and Support'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $5,374,000, to remain available until September 30, 2019: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. procurement, construction, and improvements For an additional amount for ``Procurement, Construction, and Improvements'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $5,000,000, to remain available until September 30, 2022: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. GENERAL PROVISIONS--THIS TITLE Sec. 601. The Administrator of the Federal Emergency Management Agency may provide assistance, pursuant to section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et [[Page H10370]] seq.), for critical services as defined in section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act for the duration of the recovery for incidents DR-4336- PR, DR-4339-PR, DR-4340-USVI, and DR-4335-USVI to-- (1) replace or restore the function of a facility or system to industry standards without regard to the pre-disaster condition of the facility or system; and (2) replace or restore components of the facility or system not damaged by the disaster where necessary to fully effectuate the replacement or restoration of disaster-damaged components to restore the function of the facility or system to industry standards. Sec. 602. (a) The Federal share of assistance, including direct Federal assistance, provided under section 407 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5173), with respect to a major disaster declared pursuant to such Act for damages resulting from a wildfire in calendar year 2017, shall be 90 percent of the eligible costs under such section. (b) The Federal share provided by subsection (a) shall apply to assistance provided before, on, or after the date of enactment of this Act. TITLE VII DEPARTMENT OF THE INTERIOR Fish and Wildlife Service construction For an additional amount for ``Construction'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $210,629,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. National Park Service historic preservation fund For an additional amount for the ``Historic Preservation Fund'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $17,500,000, to remain available until September 30, 2019, including costs to States necessary to complete compliance activities required by section 306108 of title 54, United States Code (formerly section 106 of the National Historic Preservation Act), and costs needed to administer the ***program***: Provided, That grants shall only be available for areas that have received a major disaster declaration pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.): Provided further, That individual grants shall not be subject to a non-Federal matching requirement: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. construction For an additional amount for ``Construction'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $207,600,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. United States Geological Survey surveys, investigations, and research For an additional amount for ``Surveys, Investigations, and Research'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, and in those areas impacted by a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.) with respect to wildfires in 2017, $42,246,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Departmental Offices Insular Affairs assistance to territories For an additional amount for ``Technical Assistance'' for financial management expenses related to the consequences of Hurricanes Irma and Maria, $3,000,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Office of Inspector General salaries and expenses For an additional amount for ``Salaries and Expenses'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $2,500,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. ENVIRONMENTAL PROTECTION AGENCY Hazardous Substance Superfund For an additional amount for ``Hazardous Substance Superfund'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $6,200,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Leaking Underground Storage Tank Fund For an additional amount for ``Leaking Underground Storage Tank Fund'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $7,000,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. DEPARTMENT OF ***AGRICULTURE*** FOREST SERVICE state and private forestry For an additional amount for ``State and Private Forestry'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $7,500,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. national forest system For an additional amount for ``National Forest System'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, $20,652,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. capital improvement and maintenance For an additional amount for ``Capital Improvement and Maintenance'' for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria, and the 2017 fire season, $91,600,000, to remain available until expended: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. GENERAL PROVISION--THIS TITLE Sec. 701. Agencies receiving funds appropriated by this title shall each provide a monthly report to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds by account, beginning not later than 90 days after enactment of this Act. TITLE VIII DEPARTMENT OF LABOR Employment and Training Administration training and employment services (including transfers of funds) For an additional amount for ``Training and Employment Services'', $30,000,000, for the dislocated workers assistance national reserve for necessary expenses directly related to the consequences of Hurricanes Harvey, Maria, and Irma or the calendar year 2017 wildfires with major disaster or emergency declarations under titles IV or V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act in calendar year 2017, which shall remain available until September 30, 2019: Provided, That these sums may be used to replace grant funds previously obligated to the impacted areas: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. job corps For an additional amount for ``Job Corps'' for construction, rehabilitation and acquisition for Job Corps Centers in Puerto Rico, $30,900,000, which shall be available through June 30, 2021: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. DEPARTMENT OF HEALTH AND HUMAN SERVICES Centers for Disease Control and Prevention cdc-wide activities and ***program*** support (including transfer of funds) For an additional amount for ``CDC-Wide Activities and ***Program*** Support'', $200,000,000, to remain available until expended, for response, recovery, preparation, mitigation, and other expenses directly related to the consequences of Hurricanes Harvey, Irma, or Maria: Provided, That obligations incurred for the purposes provided herein prior to the date of enactment of this Act may be charged to funds appropriated by this paragraph: Provided further, That of the amount provided, not less than $6,000,000 shall be transferred to the ``Buildings and Facilities'' account for the purposes provided herein: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Office of the Secretary public health and social services emergency fund (including transfers of funds) For an additional amount for the ``Public Health and Social Services Emergency [[Page H10371]] Fund'', $177,000,000, to remain available until expended, for response, recovery, preparation, mitigation and other expenses directly related to the consequences of Hurricanes Harvey, Irma, or Maria, including activities authorized under section 319(a) of the Public Health Service Act (referred to in this title as the ``PHS Act''): Provided, That $60,000,000 shall be transferred to ``Health Resources and Services Administration--Primary Health Care'', for expenses related to the consequences of Hurricanes Harvey, Irma, or Maria for disaster response and recovery, for the Health Centers ***Program*** under section 330 of the PHS Act: Provided further, That not less than $50,000,000, of amounts transferred under the preceding proviso, shall be available for alteration, renovation, construction, equipment, and other capital improvement costs as necessary to meet the needs of areas affected by Hurricanes Harvey, Irma, or Maria: Provided further, That the time limitation in section 330(e)(3) of the PHS Act shall not apply to funds made available under the preceding proviso: Provided further, That not less than $20,000,000 shall be transferred to ``Substance Abuse and Mental Health Services Administration--Health Surveillance and ***Program*** Support'' for grants, contracts, and cooperative agreements for behavioral health treatment, crisis counseling, and other related helplines, and for other similar ***programs*** to provide support to individuals impacted by Hurricanes Harvey, Irma, or Maria: Provided further, That up to $2,000,000 shall be transferred to ``Office of the Secretary--Office of Inspector General'' for oversight of activities responding to such hurricanes: Provided further, That obligations incurred for the purposes provided herein prior to the date of enactment of this Act may be charged to funds appropriated under this heading: Provided further, That of the funds appropriated in this paragraph, $15,000,000 shall be transferred to the ``National Institutes of Health-- Office of the Director'' for the purposes provided in this paragraph: Provided further, That funds transferred to the National Institutes of Health for the purpose of supporting the repair or rebuilding of non-Federal biomedical or behavioral research facilities damaged as a result of Hurricanes Harvey, Irma, or Maria shall be used to award grants or contracts for such purpose under section 404I of the Public Health Service Act: Provided further, That section 404I(c)(2) of such Act does not apply to the use of funds described in the preceding proviso: Provided further, That funds appropriated in this paragraph shall not be available for costs that are reimbursed by the Federal Emergency Management Agency, under a contract for insurance, or by self-insurance: Provided further, That such additional amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Administration for Children and Families children and families services ***programs*** For an additional amount for ``Children and Families Services ***Programs***'', $650,000,000, to remain available until September 30, 2021, for Head Start ***programs***, for necessary expenses directly related to the consequences of Hurricanes Harvey, Irma, or Maria, including making payments under the Head Start Act: Provided, That none of the funds appropriated in this paragraph shall be included in the calculation of the ``base grant'' in subsequent fiscal years, as such term is defined in sections 640(a)(7)(A), 641A(h)(1)(B), or 645(d)(3) of the Head Start Act: Provided further, That funds appropriated in this paragraph are not subject to the allocation requirements of section 640(a) of the Head Start Act: Provided further, That funds appropriated in this paragraph shall not be available for costs that are reimbursed by the Federal Emergency Management Agency, under a contract for insurance, or by self-insurance: Provided further, That up to $10,000,000 shall be available for Federal administrative expenses: Provided further, That obligations incurred for the purposes provided herein prior to the date of enactment of this Act may be charged to funds appropriated under this heading: Provided further, That such additional amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. DEPARTMENT OF EDUCATION Hurricane Education Recovery (including transfer of funds) For an additional amount for ``Hurricane Education Recovery'' for assisting in meeting the educational needs of individuals affected by Hurricanes Harvey, Irma, or Maria, or calendar year 2017 wildfires for which the President declared a major disaster or emergency under section 401 or 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170; 42 U.S.C 5191) (referred to herein as a ``covered disaster or emergency''), $2,900,000,000, to remain available through September 30, 2021: Provided, That such additional amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That-- (1) such funds shall be used-- (A) to make awards, which shall be available until expended, to eligible entities for immediate aid to restart school operations, in accordance with paragraph (2); (B) for temporary emergency impact aid for displaced students, in accordance with paragraph (2); (C) for emergency assistance to institutions of higher education and students attending institutions of higher education in an area directly affected by a covered disaster or emergency in accordance with paragraph (3); (D) for payments to institutions of higher education to help defray the unexpected expenses associated with enrolling displaced students from institutions of higher education directly affected by a covered disaster or emergency, in accordance with paragraph (4); and (E) to provide assistance to local educational agencies serving homeless children and youth in accordance with paragraph (5); (2) immediate aid to restart school operations and temporary emergency impact aid for displaced students described in subparagraphs (A) and (B) of paragraph (1) shall be provided under the statutory terms and conditions that applied to assistance under sections 102 and 107 of title IV of division B of Public Law 109-148, respectively, including the nondiscrimination provisions under section 107(m), except that such sections shall be applied so that-- (A) each reference to a major disaster declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170) shall be to a major disaster or emergency declared by the President in accordance with section 401 or 501, respectively, of such Act; (B) each reference to Hurricane Katrina or Hurricane Rita shall be a reference to a covered disaster or emergency; (C) each reference to August 22, 2005, when used in relation to a covered disaster or emergency, shall be to the date that is one week prior to the date on which the major disaster or emergency was declared for the area; (D) each reference to the States of Louisiana, Mississippi, Alabama, and Texas shall be to the States or territories affected by a covered disaster or emergency, and each reference to the State educational agencies of Louisiana, Mississippi, Alabama, or Texas shall be a reference to the State educational agencies that serve the states or territories affected by a covered disaster or emergency; (E) each reference to the 2005-2006 school year shall be to the 2017-2018 school year; (F) the references in section 102(h)(1) of title IV of division B of Public Law 109-148 to the number of non-public elementary schools and secondary schools in the State shall be to the number of students in non-public elementary schools and secondary schools in the State, and the reference in such section to the 2003-2004 school year shall be to the most recent data set for the 2016-2017 school year; (G) in determining the amount of immediate aid provided to restart school operations as described in section 102(b) of title IV of division B of Public Law 109-148, the Secretary shall consider the number of students enrolled, during the 2016-2017 school year, in elementary schools and secondary schools that were closed as a result of a covered disaster or emergency; (H) in determining the amount of emergency impact aid that a State educational agency is eligible to receive under paragraph (1)(B), the Secretary shall, subject to section 107(d)(1)(B) of such title, provide-- (i) $9,000 for each displaced student who is an English learner, as that term is defined in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C 7801); (ii) $10,000 for each displaced student who is a child with disability (regardless of whether the child is an English learner); and (iii) $8,500 for each displaced student who is not a child with a disability or an English learner; and (I) with respect to the emergency impact aid provided under paragraph (1)(B), the Secretary may modify the State educational agency and local educational agency application timelines in section 107(c) of such title; (3) up to $200,000,000 of the funds made available under this heading shall be for ***programs*** authorized under subpart 3 of part A and part C of title IV and part B of title VII of the Higher Education Act of 1965 (20 U.S.C 1087-51 et seq., 1138 et seq.) for institutions located in an area affected by a covered disaster or emergency, and students enrolled in such institutions, except that-- (A) any requirements relating to matching, Federal share, reservation of funds, or maintenance of effort under such parts that would otherwise be applicable to that assistance shall not apply; (B) such assistance may be used for student financial assistance; (C) such assistance may also be used for faculty and staff salaries, equipment, student supplies and instruments, or any purpose authorized under the Higher Education Act of 1965, by institutions of higher education that are located in areas affected by a covered disaster or emergency; and (D) the Secretary shall prioritize, to the extent possible, students who are homeless or at risk of becoming homeless as a result of displacement, and institutions that have sustained extensive damage, by a covered disaster or emergency; (4) up to $120,000,000 of the funds made available under this heading shall be for payments to institutions of higher education to help defray the unexpected expenses associated with enrolling displaced students from institutions of higher education at which operations have been disrupted by a covered [[Page H10372]] disaster or emergency, in accordance with criteria established by the Secretary and made publicly available; (5) $25,000,000 of the funds made available under this heading shall be available to provide assistance to local educational agencies serving homeless children and youths displaced by a covered disaster or emergency, consistent with section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C 11431-11435) and with section 106 of title IV of division B of Public Law 109-148, except that funds shall be disbursed based on demonstrated need and the number of homeless children and youth enrolled as a result of displacement by a covered disaster or emergency; (6) section 437 of the General Education Provisions Act (20 U.S.C 1232) and section 553 of title 5, United States Code, shall not apply to activities under this heading; (7) $4,000,000 of the funds made available under this heading, to remain available through September 30, 2021, shall be transferred to the Office of the Inspector General of the Department of Education for oversight of activities supported with funds appropriated under this heading, and up to $3,000,000 of the funds made available under this heading, to remain available through September 30, 2019, shall be for ***program*** administration; (8) up to $35,000,000 of the funds made available under this heading shall be to carry out activities authorized under section 4631(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C 7281(b)); and (9) the Secretary may waive, modify, or provide extensions for certain requirements of the Higher Education Act of 1965 (20 U.S.C 1001 et seq.) for affected individuals, affected students, and affected institutions in covered disaster or emergency areas in the same manner as the Secretary was authorized to waive, modify, or provide extensions for certain requirements of such Act under provisions of subtitle B of title IV of division B of Public Law 109-148 for affected individuals, affected students, and affected institutions in areas affected by Hurricane Katrina and Hurricane Rita, except that the cost associated with any action taken by the Secretary under this paragraph is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. GENERAL PROVISIONS--THIS TITLE (including transfers of funds) Sec. 801. (a) Notwithstanding section 133(b)(4) of the Workforce Innovation and Opportunity Act, in States, as defined by section 3(56) of such Act, affected by Hurricanes Harvey, Irma, and Maria, a local board, as defined by section 3(33) of such Act, in a local area, as defined by section 3(32) of such Act, affected by such Hurricanes may transfer, if such transfer is approved by the Governor, up to 100 percent of the funds allocated to the local area for ***Program*** Years 2016 and 2017 for Youth Workforce Investment activities under paragraphs (2) or (3) of section 128(b) of such Act, for Adult employment and training activities under paragraphs (2)(A) or (3) of section 133(b) of such Act, or for Dislocated Worker employment and training activities under paragraph (2)(B) of section 133(b) of such Act among-- (1) adult employment and training activities; (2) dislocated worker employment and training activities; and (3) youth workforce investment activities. (b) Except for the funds reserved to carry out required statewide activities under sections 127(b) and 134(a)(2) of the Workforce Innovation and Opportunity Act, the Governor of the United States Virgin Islands may authorize the transfer of up to 100 percent of the remaining funds provided to the United States Virgin Islands for ***Program*** Years 2016 and 2017 for Youth Workforce Investment activities under section 127(b)(1)(B) of such Act, for Adult employment and training activities under section 132(b)(1)(A) of such Act, or for Dislocated Worker employment and training activities under section 133(b)(2)(A)) of such Act among-- (1) adult employment and training activities; (2) dislocated worker employment and training activities; and (3) youth workforce investment activities. Sec. 802. Funds appropriated by this title may be transferred to, and merged with, other appropriation accounts under the headings ``Centers for Disease Control and Prevention'' and ``Public Health and Social Services Emergency Fund'' for the purposes specified in this title following consultation with the Office of Management and Budget: Provided, That the Committees on Appropriations in the House of Representatives and the Senate shall be notified 10 days in advance of any such transfer: Provided further, That, upon a determination that all or part of the funds transferred from an appropriation are not necessary, such amounts may be transferred back to that appropriation: Provided further, That none of the funds made available by this title may be transferred pursuant to the authority in section 205 of division H of Public Law 115-31 or section 241(a) of the PHS Act. Sec. 803. (a) As the Secretary of Health and Human Services determines necessary to respond to a critical hiring need for emergency response positions, after providing public notice and without regard to the provisions of sections 3309 through 3319 of title 5, United States Code, the Secretary may appoint candidates directly to the following positions to perform critical work directly relating to the consequences of Hurricanes Harvey, Irma, or Maria: (1) Intermittent disaster-response personnel in the National Disaster Medical System, under section 2812 of the PHS Act (42 U.S.C 300hh-11). (2) Term or temporary appointments at the Centers for Disease Control and Prevention and the Office of the Assistant Secretary for Preparedness and Response. (b) The authority under subsection (a) shall expire 270 days after the date of enactment of this section. Sec. 804. Notwithstanding any other provision of law, the interest payment of the United States Virgin Islands that was due under section 1202(b)(1) of the Social Security Act on September 29, 2017, shall not be due until September 28, 2018, and no interest shall accrue on such amount through September 28, 2018. Sec. 805. Agencies receiving funds appropriated by this title shall each provide a monthly report to the Committees on Appropriations of the House of Representatives and the Senate detailing the allocation and obligation of these funds by account, beginning not later than 90 days after enactment of this Act. TITLE IX Government Accountability Office salaries and expenses For an additional amount for the Government Accountability Office for ``Salaries and Expenses'', $14,000,000, to remain available until expended, for audits and investigations relating to Hurricanes Harvey, Irma, and Maria and the calendar year 2017 wildfires: Provided, That not later than 180 days after the date of enactment of this Act, GAO shall submit to Congress a report describing the United States Virgin Island's economic and disaster recovery ***plan*** that defines the priorities, goals, and expected outcomes of the recovery effort based on damage assessments prepared pursuant to Federal law: Provided further, That GAO shall report on the internal control ***plans*** that are in place to provide oversight of Federal disaster funds to be used in recovery activities in the United States Virgin Islands, identify any deficiencies in such ***plans***, and provide recommendations to address noted deficiencies: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. TITLE X DEPARTMENT OF DEFENSE MILITARY CONSTRUCTION Military Construction, Navy and Marine Corps For an additional amount for ``Military Construction, Navy and Marine Corps'', $201,636,000, to remain available until September 30, 2022, for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria: Provided, That none of the funds made available to the Navy and Marine Corps for recovery efforts related to Hurricanes Harvey, Irma, and Maria in this division shall be available for obligation until the Committees on Appropriations of the House of Representatives and the Senate receive form 1391 for each specific request: Provided further, That, not later than 60 days after enactment of this Act, the Secretary of the Navy, or his designee, shall submit to the Committees on Appropriations of House of Representatives and the Senate a detailed expenditure ***plan*** for funds provided under this heading: Provided further, That such funds may be obligated or expended for ***planning*** and design and military construction projects not otherwise authorized by law: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Military Construction, Army National Guard For an additional amount for ``Military Construction, Army National Guard'', $519,345,000, to remain available until September 30, 2022, for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria: Provided, That none of the funds made available to the Army National Guard for recovery efforts related to Hurricanes Harvey, Irma, and Maria in this division shall be available for obligation until the Committees on Appropriations of the House of Representatives and the Senate receive form 1391 for each specific request: Provided further, That, not later than 60 days after enactment of this Act, the Director of the Army National Guard, or his designee, shall submit to the Committees on Appropriations of the House of Representatives and the Senate a detailed expenditure ***plan*** for funds provided under this heading: Provided further, That such funds may be obligated or expended for ***planning*** and design and military construction projects not otherwise authorized by law: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. DEPARTMENT OF VETERANS AFFAIRS VETERANS HEALTH ADMINISTRATION Medical Services For an additional amount for ``Medical Services'', $11,075,000, to remain available [[Page H10373]] until September 30, 2019, for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Medical Support and Compliance For an additional amount for ``Medical Support and Compliance'', $3,209,000, to remain available until September 30, 2019, for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Medical Facilities For an additional amount for ``Medical Facilities'', $75,108,000, to remain available until September 30, 2022, for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria: Provided, That none of these funds shall be available for obligation until the Secretary of Veterans Affairs submits to the Committees on Appropriations of the House of Representatives and the Senate a detailed expenditure ***plan*** for funds provided under this heading: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Departmental Administration Construction, Minor Projects For an additional amount for ``Construction, Minor Projects'', $4,088,000, to remain available until September 30, 2022, for necessary expenses related to the consequences of Hurricanes Harvey, Irma, and Maria: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. GENERAL PROVISION--THIS TITLE Sec. 1001. Notwithstanding section 18236(b) of title 10, United States Code, the Secretary of Defense shall contribute to Puerto Rico 100 percent of the total cost of construction (including the cost of architectural, engineering and design services) for the acquisition, construction, expansion, rehabilitation, or conversion of the Arroyo readiness center under paragraph (5) of section 18233(a) of title 10, United States Code. TITLE XI DEPARTMENT OF TRANSPORTATION Federal Aviation Administration operations (airport and airway trust fund) For an additional amount for ``Operations'', $35,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended, for necessary expenses related to the consequences of hurricanes occurring in calendar year 2017: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. facilities and equipment (airport and airway trust fund) For an additional amount for ``Facilities and Equipment'', $79,589,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended, for necessary expenses related to the consequences of hurricanes occurring in calendar year 2017: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Federal Highway Administration federal-aid highways emergency relief ***program*** For an additional amount for the Emergency Relief ***Program*** as authorized under section 125 of title 23, United States Code, $1,374,000,000, to remain available until expended: Provided, That notwithstanding section 125(d)(4) of title 23, United States Code, no limitation on the total obligations for projects under section 125 of such title shall apply to the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands for fiscal year 2018 and fiscal year 2019: Provided further, That notwithstanding section 120(i)(1) of title 23, United States Code, for fiscal year 2018 and each fiscal year thereafter, Puerto Rico may use toll credits toward the non-Federal share requirement for emergency relief funds made available under section 125 of such title to respond to damage caused by Hurricanes Irma and Maria: Provided further, That such amounts are designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Federal Transit Administration public transportation emergency relief ***program*** For the ``Public Transportation Emergency Relief ***Program***'' as authorized under section 5324 of title 49, United States Code, $269,000,000 to remain available until expended, for transit systems affected by Hurricanes Harvey, Irma, and Maria with major disaster declarations in 2017: Provided, That not more than three-quarters of one percent of the funds for public transportation emergency relief shall be available for administrative expenses and ongoing ***program*** management oversight as authorized under sections 5334 and 5338(f)(2) of such title and shall be in addition to any other appropriations for such purpose: Provided further, That such amounts are designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. Maritime Administration operations and training For an additional amount for ``Operations and Training'', $10,000,000, to remain available until expended, for necessary expenses, including for dredging, related to damage to Maritime Administration facilities resulting from Hurricane Harvey: Provided, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Community ***Planning*** and Development community development fund (including transfers of funds) For an additional amount for ``Community Development Fund'', $26,060,000,000, to remain available until expended, for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C 5301 et seq.) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a major disaster declared in 2017 (except as otherwise provided under this heading) pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.): Provided, That funds shall be awarded directly to the State, unit of general local government, or Indian tribe (as such term is defined in section 102 of the Housing and Community Development Act of 1974) at the discretion of the Secretary: Provided further, That of the amounts made available under this heading, up to $13,560,000,000 shall be allocated to meet unmet needs for grantees that have received or will receive allocations for major disasters declared in 2017, and that such allocations shall include the States and units of local government affected by Hurricane Maria: Provided further, That of the amounts made available under this heading, no less than $12,500,000,000 shall be allocated for mitigation activities to all grantees of funding provided under this heading, the same heading in chapter 9 of title X of division A of Public Law 113-2, section 420 of division L of Public Law 114-113, section 145 of division C of Public Law 114-223, section 192 of division C of Public Law 114-223 (as added by section 101(3) of division A of Public Law 114- 254), section 421 of division K of Public Law 115-31, and the same heading in division B of Public Law 115-56, and that such mitigation activities shall be subject to the same terms and conditions of this heading, as determined by the Secretary: Provided further, That all such grantees shall receive an allocation of funds under the preceding proviso in the same proportion that the amount of funds each grantee received or will receive under the second proviso of this heading or the headings and sections specified in the previous proviso bears to the amount of all funds provided to all grantees specified in the previous proviso: Provided further, That of the amounts made available under the second and third provisos of this heading, the Secretary shall allocate to all such grantees an aggregate amount of not less than 33 percent of each such amount of funds provided under this heading within 60 days after the date of enactment of this Act based on the best available data: Provided further, That the Secretary shall not prohibit the use of funds made available under this heading and the same heading in division B of Public Law 115-56 for non-federal share as authorized by section 105(a)(9) of the Housing and Community Development Act of 1974 (42 U.S.C 5305(a)(9)): Provided further, That of the amounts made available under this heading, grantees may establish grant ***programs*** to assist small businesses to recover from economic losses: Provided further, That as a condition of making any grant, the Secretary shall certify in advance that such grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5155), to ensure timely expenditure of funds, to maintain comprehensive websites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds: Provided further, That the Secretary shall require grantees to maintain on a public website information containing common reporting criteria established by the Department that permits individuals and entities awaiting assistance and the general public to see how all grant funds are used, including copies of all relevant procurement documents, grantee administrative contracts and details of ongoing procurement processes, as determined by the Secretary: Provided further, That prior to the obligation of funds a grantee shall submit a [[Page H10374]] ***plan*** to the Secretary for approval detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas: Provided further, That such funds may not be used for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency or the Army Corps of Engineers: Provided further, That funds allocated under this heading shall not be considered relevant to the non-disaster formula allocations made pursuant to section 106 of the Housing and Community Development Act of 1974 (42 U.S.C 5306): Provided further, That a State, unit of general local government, or Indian tribe may use up to 5 percent of its allocation for administrative costs: Provided further, That the sixth proviso under this heading in the Supplemental Appropriations for Disaster Relief Requirements, 2017 (division B of Public Law 115-56) is amended by striking ``State or subdivision thereof'' and inserting ``State, unit of general local government, or Indian tribe (as such term is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C 5302))'': Provided further, That in administering the funds under this heading, the Secretary of Housing and Urban Development may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), if the Secretary finds that good cause exists for the waiver or alternative requirement and such waiver or alternative requirement would not be inconsistent with the overall purpose of title I of the Housing and Community Development Act of 1974: Provided further, That, notwithstanding the preceding proviso, recipients of funds provided under this heading that use such funds to supplement Federal assistance provided under section 402, 403, 404, 406, 407, 408(c)(4), or 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.) may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval or permit: Provided further, That, notwithstanding section 104(g)(2) of the Housing and Community Development Act of 1974 (42 U.S.C 5304(g)(2)), the Secretary may, upon receipt of a request for release of funds and certification, immediately approve the release of funds for an activity or project assisted under this heading if the recipient has adopted an environmental review, approval or permit under the preceding proviso or the activity or project is categorically excluded from review under the National Environmental Policy Act of 1969 (42 U.S.C 4321 et seq.): Provided further, That the Secretary shall publish via notice in the Federal Register any waiver, or alternative requirement, to any statute or regulation that the Secretary administers pursuant to title I of the Housing and Community Development Act of 1974 no later than 5 days before the effective date of such waiver or alternative requirement: Provided further, That the eighth proviso under this heading in the Supplemental Appropriations for Disaster Relief Requirements, 2017 (division B of Public Law 115-56) is amended by inserting ``408(c)(4),'' after ``407,'': Provided further, That of the amounts made available under this heading, up to $10,000,000 shall be made available for capacity building and technical assistance, including assistance on contracting and procurement processes, to support States, units of general local government, or Indian tribes (and their subrecipients) that receive allocations pursuant to this heading, received disaster recovery allocations under the same heading in Public Law 115-56, or may receive similar allocations for disaster recovery in future appropriations Acts: Provided further, That of the amounts made available under this heading, up to $10,000,000 shall be transferred, in aggregate, to ``Department of Housing and Urban Development--***Program*** Office Salaries and Expenses--Community ***Planning*** and Development'' for necessary costs, including information technology costs, of administering and overseeing the obligation and expenditure of amounts under this heading: Provided further, That the amount specified in the preceding proviso shall be combined with funds appropriated under the same heading and for the same purpose in Public Law 115-56 and the aggregate of such amounts shall be available for any of the purposes specified under this heading or the same heading in Public Law 115-56 without limitation: Provided further, That of the funds made available under this heading, $10,000,000 shall be transferred to the Office of the Inspector General for necessary costs of overseeing and auditing funds made available under this heading: Provided further, That any funds made available under this heading that remain available, after the other funds under such heading have been allocated for necessary expenses for activities authorized under such heading, shall be used for additional activities, including mitigation, in the most impacted and distressed areas resulting from major disasters declared in 2011 and subsequent years: Provided further, That such remaining funds shall be awarded to grantees of funding provided for disaster relief under this heading, the same heading in chapter 9 of title X of division A of Public Law 113-2, section 420 of division L of Public Law 114-113, section 145 of division C of Public Law 114-223, section 192 of division C of Public Law 114-223 (as added by section 101(3) of division A of Public Law 114-254), section 421 of division K of Public Law 115-31, and the same heading in division B of Public Law 115- 56, subject to the same terms and conditions under this heading and such headings and sections respectively: Provided further, That each such grantee shall receive an allocation from such remaining funds in the same proportion that the amount of funds such grantee received under the second proviso under this heading and under the Acts specified in the previous proviso bears to the amount of all funds provided to all grantees specified in the previous proviso: Provided further, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985. TITLE XII GENERAL PROVISIONS--THIS DIVISION Sec. 1201. Each amount appropriated or made available by this division is in addition to amounts otherwise appropriated for the fiscal year involved. Sec. 1202. No part of any appropriation contained in this division shall remain available for obligation beyond the current fiscal year unless expressly so provided herein. Sec. 1203. Unless otherwise provided for by this division, the additional amounts appropriated by this division to appropriations accounts shall be available under the authorities and conditions applicable to such appropriations accounts for fiscal year 2018. Sec. 1204. The terms and conditions applicable to the funds provided in this division, including those provided by this title, shall also apply to the funds made available in division B of Public Law 115-56 and in division A of Public Law 115-72. Sec. 1205. Each amount designated in this division by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be available only if the President subsequently so designates all such amounts and transmits such designations to the Congress. Sec. 1206. (a) Section 305 of division A of the Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-72) is amended-- (1) in subsection (a)-- (A) by striking ``(1) Not later than December 31, 2017,'' and inserting ``Not later than March 31, 2018,''; and (B) by striking paragraph (2); and (2) in subsection (b), by striking ``receiving funds under this division'' and inserting ``expending more than $10,000,000 of funds provided by this division and division B of Public Law 115-56 in any one fiscal year''. (b) Section 305 of division A of the Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-72), as amended by this section, shall apply to funds appropriated by this division as if they had been appropriated by that division. (c) In order to proactively prepare for oversight of future disaster relief funding, not later than one year after the date of enactment of this Act, the Director of the Office of Management and Budget shall issue standard guidance for Federal agencies to use in designing internal control ***plans*** for disaster relief funding. This guidance shall leverage existing internal control review processes and shall include, at a minimum, the following elements: (1) Robust criteria for identifying and documenting incremental risks and mitigating controls related to the funding. (2) Guidance for documenting the linkage between the incremental risks related to disaster funding and efforts to address known internal control risks. Sec. 1207. Any agency or department provided funding in excess of $3,000,000,000 by this division, including the Federal Emergency Management Agency, the Department of Housing and Urban Development, and the Corps of Engineers, is directed to provide a report to the Committee on Appropriations of the House of Representatives regarding its efforts to provide adequate resources and technical assistance for small, low-income communities affected by natural disasters. Sec. 1208. (a) Not later than 180 days after the date of enactment of this Act and in coordination with the Administrator of the Federal Emergency Management Agency, with support and contributions from the Secretary of the Treasury, the Secretary of Energy, and other Federal agencies having responsibilities defined under the National Disaster Recovery Framework, the Governor of the Commonwealth of Puerto Rico shall submit to Congress a report describing the Commonwealth's 12- and 24-month economic and disaster recovery ***plan*** that-- (1) defines the priorities, goals, and expected outcomes of the recovery effort for the Commonwealth, based on damage assessments prepared pursuant to Federal law, if applicable, including-- (A) housing; (B) economic issues, including workforce development and industry expansion and cultivation; (C) health and social services; (D) natural and cultural resources; (E) governance and civic institutions; (F) electric power systems and grid restoration; [[Page H10375]] (G) environmental issues, including solid waste facilities; and (H) other infrastructure systems, including repair, restoration, replacement, and improvement of public infrastructure such water and wastewater treatment facilities, communications networks, and transportation infrastructure; (2) is consistent with-- (A) the Commonwealth's fiscal capacity to provide long-term operation and maintenance of rebuilt or replaced assets; (B) alternative procedures and associated programmatic guidance adopted by the Administrator of the Federal Emergency Management Administration pursuant to section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5189f); and (C) actions as may be necessary to mitigate vulnerabilities to future extreme weather events and natural disasters and increase community resilience, including encouraging the adoption and enforcement of the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the latest hazard-resistant designs and establish minimum acceptable criteria for the design, construction, and maintenance of residential structures and facilities for the purpose of protecting the health, safety, and general welfare of the buildings' users against disasters; (3) promotes transparency and accountability through appropriate public notification, outreach, and hearings; (4) identifies performance metrics for assessing and reporting on the progress toward achieving the Commonwealth's recovery goals, as identified under paragraph (1); (5) is developed in coordination with the Oversight Board established under PROMESA; and (6) is certified by that Oversight Board to be consistent with the purpose set forth in section 101(a) of PROMESA (48 U.S.C 2121(a)). (b) At the end of every 30-day period before the submission of the report described in subsection (a), the Governor of the Commonwealth of Puerto Rico, in coordination with the Administrator of the Federal Emergency Management Agency, shall provide to Congress interim status updates on progress developing such report. (c) At the end of every 180-day period after the submission of the report described in subsection (a), the Governor of the Commonwealth of Puerto Rico, in coordination with the Administrator of the Federal Emergency Management Agency, shall make public a report on progress achieving the goals set forth in such report. (d) During the development, and after the submission, of the report require by in subsection (a), the Oversight Board may provide to Congress reports on the status of coordination with the Governor of Puerto Rico. (e) Amounts made available by this division to a covered territory for response to or recovery from Hurricane Irma or Hurricane Maria in an aggregate amount greater than $10,000,000 may be reviewed by the Oversight Board under the Oversight Board's authority under 204(b)(2) of PROMESA (48 U.S.C 2144(b)(2)). (f) When developing a Fiscal ***Plan*** while the recovery ***plan*** required under subsection (a) is in development and in effect, the Oversight Board shall use and incorporate, to the greatest extent feasible, damage assessments prepared pursuant to Federal law. (g) For purposes of this section, the terms ``covered territory'' and ``Oversight Board'' have the meaning given those term in section 5 of PROMESA (48 U.S.C 2104). This division may be cited as the ``Further Additional Supplemental Appropriations for Disaster Relief Requirements, 2017''. DIVISION B--DISASTER RECOVERY REFORM ACT Sec. 2001. Applicability. Sec. 2002. State defined. Sec. 2003. Wildfire prevention. Sec. 2004. Additional activities. Sec. 2005. Eligibility for code implementation and enforcement. Sec. 2006. ***Program*** improvements. Sec. 2007. Prioritization of facilities. Sec. 2008. Guidance on evacuation routes. Sec. 2009. Duplication of benefits. Sec. 2010. State administration of assistance for direct temporary housing and permanent housing construction. Sec. 2011. Assistance to individuals and households. Sec. 2012. Multifamily lease and repair assistance. Sec. 2013. Federal disaster assistance nonprofit fairness. Sec. 2014. Management costs. Sec. 2015. Flexibility. Sec. 2016. Additional disaster assistance. Sec. 2017. National veterinary emergency teams. Sec. 2018. Dispute resolution pilot ***program***. Sec. 2019. Emergency relief. Sec. 2020. Unified Federal environmental and historic preservation review. Sec. 2021. Closeout incentives. Sec. 2022. Performance of services. Sec. 2023. Study to streamline and consolidate information collection. Sec. 2024. Agency accountability. Sec. 2025. Audit of contracts. Sec. 2026. Inspector general audit of FEMA contracts for tarps and plastic sheeting. Sec. 2027. Relief organizations. Sec. 2028. Guidance on inundated and submerged roads. Sec. 2029. Authorities. Sec. 2030. Recoupment of certain assistance prohibited. Sec. 2031. Statute of limitations. Sec. 2032. Technical assistance and recommendations. Sec. 2033. Guidance on hazard mitigation assistance. Sec. 2034. Local impact. Sec. 2035. Additional hazard mitigation activities. Sec. 2036. National public infrastructure predisaster hazard mitigation. Sec. 2037. Additional mitigation activities. Sec. 2038. Federal cost-share adjustments for repair, restoration, and replacement of damaged facilities. SEC. 2001. APPLICABILITY. Except as otherwise expressly provided, the amendments in this division to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.) apply to each major disaster and emergency declared by the President on or after August 1, 2017, under such Act. SEC. 2002. STATE DEFINED. In this division, the term ``State'' has the meaning given that term in section 102(4) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5122(4)). SEC. 2003. WILDFIRE PREVENTION. (a) Mitigation Assistance.--Section 420 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5187) is amended-- (1) by redesignating subsection (d) as subsection (e); and (2) by inserting after subsection (c) the following: ``(d) Hazard Mitigation Assistance.--Whether or not a major disaster is declared, the President may provide hazard mitigation assistance in accordance with section 404 in any area affected by a fire for which assistance was provided under this section.''. (b) Conforming Amendments.--The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.) is amended-- (1) in section 404(a) (42 U.S.C 5170c(a)) (as amended by section 37(a) of this Act)-- (A) by inserting before the first period ``, or any area affected by a fire for which assistance was provided under section 420''; and (B) in the third sentence by inserting ``or event under section 420'' after ``major disaster'' each place it appears; and (2) in section 322(e)(1) (42 U.S.C 5165(e)(1)), by inserting ``or event under section 420'' after ``major disaster'' each place it appears. (c) Reporting Requirement.--Not later than 1 year after the date of enactment of this Act and annually thereafter, the Administrator of the Federal Emergency Management Agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on Transportation and Infrastructure of the House of Representatives, and the Appropriations Committees of the Senate and the House of Representatives a report containing a summary of any projects carried out, and any funding provided to those projects, under subsection (d) of section 420 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5187) (as amended by this section). SEC. 2004. ADDITIONAL ACTIVITIES. Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170c) is amended by adding at the end the following: ``(f) Use of Assistance.--Recipients of hazard mitigation assistance provided under this section and section 203 may use the assistance to conduct activities to help reduce the risk of future damage, hardship, loss, or suffering in any area affected by a wildfire or windstorm, including-- ``(1) reseeding ground cover with quick-growing or native species; ``(2) mulching with straw or chipped wood; ``(3) constructing straw, rock, or log dams in small tributaries to prevent flooding; ``(4) placing logs and other erosion barriers to catch sediment on hill slopes; ``(5) installing debris traps to modify road and trail drainage mechanisms; ``(6) modifying or removing culverts to allow drainage to flow freely; ``(7) adding drainage dips and constructing emergency spillways to keep roads and bridges from washing out during floods; ``(8) planting grass to prevent the spread of noxious weeds; ``(9) installing warning signs; ``(10) establishing defensible space measures; ``(11) reducing hazardous fuels; and ``(12) windstorm damage, including replacing or installing electrical transmission or distribution utility pole structures with poles that are resilient to extreme wind and combined ice and wind loadings for the basic wind speeds and ice conditions associated with the relevant location.''. SEC. 2005. ELIGIBILITY FOR CODE IMPLEMENTATION AND ENFORCEMENT. Section 406(a)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5172(a)(2)) is amended-- (1) by striking ``and'' at the end of subparagraph (B); (2) by striking the period at the end of subparagraph (C) and inserting ``; and''; and (3) by adding at the end the following: ``(D) base and overtime wages for extra hires to facilitate the implementation and enforcement of adopted building codes for a [[Page H10376]] period of not more than 180 days after the major disaster is declared.''. SEC. 2006. ***PROGRAM*** IMPROVEMENTS. (a) Hazard Mitigation.--Section 406(c) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5172(c)) is amended-- (1) in paragraph (1)(A), by striking ``90 percent of''; and (2) in paragraph (2)(A), by striking ``75 percent of''. (b) Participation.--Section 428(d) of such Act (42 U.S.C 5189f) is amended-- (1) by inserting ``(1) In general.--'' before ``Participation in''; and (2) by adding at the end the following: ``(2) No conditions.--The President may not condition the provision of Federal assistance under this Act on the election by a State, Tribal, or local government, or owner or operator of a private nonprofit facility to participate in the alternative procedures adopted under this section.''. (c) Certification.--Section 428(e)(1) of such Act (42 U.S.C 5189f(e)(1)) is amended-- (1) in subparagraph (E), by striking ``and'' at the end; (2) in subparagraph (F), by striking the period and inserting ``; and''; and (3) by adding at the end the following: ``(G) once certified by a professionally licensed engineer and accepted by the Administrator, the estimates on which grants made pursuant to this section are based shall be presumed to be reasonable and eligible costs, as long as there is no evidence of fraud.''. SEC. 2007. PRIORITIZATION OF FACILITIES. Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Emergency Management Agency shall provide guidance and training on an annual basis to State, Tribal, and local governments, first responders, and utility companies on-- (1) the need to prioritize assistance to hospitals, nursing homes, and other long-term care facilities to ensure that such health care facilities remain functioning or return to functioning as soon as practicable during power outages caused by natural hazards, including severe weather events; and (2) how hospitals, nursing homes and other long-term care facilities should adequately prepare for power outages during a major disaster or emergency. SEC. 2008. GUIDANCE ON EVACUATION ROUTES. (a) In General.-- (1) Identification.--The Administrator of the Federal Emergency Management Agency, in coordination with the Administrator of the Federal Highway Administration, shall develop and issue guidance for State, local, and Tribal governments regarding the identification of evacuation routes. (2) Guidance.--The Administrator of the Federal Highway Administration, in coordination with the Administrator of the Federal Emergency Management Agency, shall revise existing guidance or issue new guidance as appropriate for State, local, and Tribal governments regarding the design, construction, maintenance, and repair of evacuation routes. (b) Considerations.-- (1) Identification.--In developing the guidance under subsection (a)(1), the Administrator of the Federal Emergency Management Agency shall consider-- (A) whether evacuation routes have resisted impacts and recovered quickly from disasters, regardless of cause; (B) the need to evacuate special needs populations, including-- (i) individuals with a physical or mental disability; (ii) individuals in schools, daycare centers, mobile home parks, prisons, nursing homes and other long-term care facilities, and detention centers; (iii) individuals with limited-English proficiency; (iv) the elderly; and (v) individuals who are tourists, seasonal workers, or homeless; (C) the sharing of information and other public communications with evacuees during evacuations; (D) the sheltering of evacuees, including the care, protection, and sheltering of animals; (E) the return of evacuees to their homes; and (F) such other items the Administrator considers appropriate. (2) Design, construction, maintenance, and repair.--In revising or issuing guidance under (a)(2), the Administrator of the Federal Highway Administration shall consider-- (A) methods that assist evacuation routes to-- (i) withstand likely risks to viability, including flammability and hydrostatic forces; (ii) improve durability, strength (including the ability to withstand tensile stresses and compressive stresses), and sustainability; and (iii) provide for long-term cost savings; (B) the ability of evacuation routes to effectively manage contraflow operations; (C) for evacuation routes on public lands, the viewpoints of the applicable Federal land management agency regarding emergency operations, sustainability, and resource protection; and (D) such other items the Administrator considers appropriate. SEC. 2009. DUPLICATION OF BENEFITS. (a) In General.--Section 312(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5155(b)) is amended by adding at the end the following: ``(4) Waiver of general prohibition.-- ``(A) In general.--The President may waive the general prohibition provided in subsection (a) upon request of a Governor on behalf of the State or on behalf of a person, business concern, or any other entity suffering losses as a result of a major disaster or emergency, if the President finds such waiver is in the public interest and will not result in waste, fraud, or abuse. In making this decision, the President may consider the following: ``(i) The recommendations of the Administrator of the Federal Emergency Management Agency made in consultation with the Federal agency or agencies administering the duplicative ***program***. ``(ii) If a waiver is granted, the assistance to be funded is cost effective. ``(iii) Equity and good conscience. ``(iv) Other matters of public policy considered appropriate by the President. ``(B) Grant or denial of waiver.--A request under subparagraph (A) shall be granted or denied not later than 45 days after submission of such request. ``(C) Prohibition on determination that loan is a duplication.--Notwithstanding subsection (c), in carrying out subparagraph (A), the President may not determine that a loan is a duplication of assistance, provided that all Federal assistance is used toward a loss suffered as a result of the major disaster or emergency.''. (b) Funding of a Federally Authorized Water Resources Development Project.-- (1) Eligible activities.--Notwithstanding section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5155) and its implementing regulations, assistance provided pursuant to section 404 of such Act may be used to fund activities authorized for construction within the scope of a federally authorized water resources development project of the Army Corps of Engineers if such activities are also eligible activities under such section. (2) Federal funding.--All Federal funding provided under section 404 pursuant to this section shall be applied toward the Federal share of such project. (3) Non-federal match.--All non-Federal matching funds required under section 404 pursuant to this section shall be applied toward the non-Federal share of such project. (4) Total federal share.--Funding provided under section 404 pursuant to this section may not exceed the total Federal share for such project. (5) No effect.--Nothing in this section shall-- (A) affect the cost-share requirement of a hazard mitigation measure under section 404; (B) affect the eligibility criteria for a hazard mitigation measure under section 404; (C) affect the cost share requirements of a federally authorized water resources development project; and (D) affect the responsibilities of a non-Federal interest with respect to the project, including those related to the provision of lands, easements, rights-of-way, dredge material disposal areas, and necessary relocations. (c) Applicability.--This section shall apply to each disaster and emergency declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5121 et seq.) after January 1, 2016. SEC. 2010. STATE ADMINISTRATION OF ASSISTANCE FOR DIRECT TEMPORARY HOUSING AND PERMANENT HOUSING CONSTRUCTION. Section 408(f) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5174(f)) is amended-- (1) in paragraph (1), by striking the paragraph heading and inserting ``State- or tribal-administered assistance and other needs assistance.--''; (2) in paragraph (1)(A)-- (A) by striking ``financial''; and (B) by striking ``subsection (e)'' and inserting ``subsections (c)(1)(B), (c)(4), and (e) if the President and the State or Tribal government comply, as determined by the Administrator, with paragraph (3)''; (3) in paragraph (1)(B)-- (A) by striking ``financial''; and (B) by striking ``subsection (e)'' and inserting ``subsections (c)(1)(B), (c)(4), and (e)''; and (4) by adding at the end the following: ``(3) In general.-- ``(A) Application.--A State or Tribal government desiring to provide assistance under subsection (c)(1)(B), (c)(4), or (e) shall submit to the President an application for a grant to provide financial assistance under the ***program***. ``(B) Criteria.--The President, in consultation and coordination with State, Tribal, and local governments, shall establish criteria for the approval of applications submitted under subparagraph (A). The criteria shall include, at a minimum-- ``(i) the demonstrated ability of the State or Tribal government to manage the ***program*** under this section; ``(ii) there being in effect a ***plan*** approved by the President as to how the State or Tribal government will comply with applicable Federal laws and regulations and how the State or Tribal government will provide assistance under its ***plan***; ``(iii) a requirement that the State, Tribal, or local government comply with rules and regulations established pursuant to subsection (j); and [[Page H10377]] ``(iv) a requirement that the President, or the designee of the President, comply with subsection (i). ``(C) Quality assurance.--Before approving an application submitted under this section, the President, or the designee of the President, shall institute adequate policies, procedures, and internal controls to prevent waste, fraud, abuse, and ***program*** mismanagement for this ***program*** and for ***programs*** under subsections (c)(1)(B), (c)(4), and (e). The President shall monitor and conduct quality assurance activities on a State or Tribal government's implementation of ***programs*** under subsections (c)(1)(B), (c)(4), and (e). If, after approving an application of a State or Tribal government submitted under this section, the President determines that the State or Tribal government is not administering the ***program*** established by this section in a manner satisfactory to the President, the President shall withdraw the approval. ``(D) Audits.--The Office of the inspector general shall provide for periodic audits of the ***programs*** administered by States and Tribal governments under this subsection. ``(E) Applicable laws.--All Federal laws applicable to the management, administration, or contracting of the ***programs*** by the Federal Emergency Management Agency under this section shall be applicable to the management, administration, or contracting by a non-Federal entity under this section. ``(F) Report.--Not later than 18 months after the date of enactment of this paragraph, the inspector general of the Department of Homeland Security shall submit a report to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on the State or Tribal government's role to provide assistance under this section. The report shall contain an assessment of the effectiveness of the State or Tribal government's role to provide assistance under this section, including-- ``(i) whether the State or Tribal government's role helped to improve the general speed of disaster recovery; ``(ii) whether the State or Tribal government providing assistance under this section had the capacity to administer this section; and ``(iii) recommendations for changes to improve the ***program*** if the State or Tribal government's role to administer the ***programs*** should be continued. ``(G) Prohibition.--The President may not condition the provision of Federal assistance under this Act by a State or Tribal government requesting a grant under this section. ``(H) Miscellaneous.-- ``(i) Notice and comment.--The Administrator may waive notice and comment rulemaking, if the Administrator determines doing so is necessary to expeditiously implement this section, and may carry out this section as a pilot ***program*** until such regulations are promulgated. ``(ii) Final rule.--Not later than 2 years after the date of enactment of this paragraph, the Administrator shall issue final regulations to implement this subsection as amended by the Disaster Recovery Reform Act. ``(iii) Waiver and expiration.--The authority under clause (i) and any pilot ***program*** implemented pursuant to such clause shall expire 2 years after the date of enactment of this paragraph or upon issuance of final regulations pursuant to clause (ii), whichever occurs sooner.''. SEC. 2011. ASSISTANCE TO INDIVIDUALS AND HOUSEHOLDS. Section 408(h) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5174(h)) is amended-- (1) in paragraph (1), by inserting ``, excluding financial assistance to rent alternate housing accommodations under subsection (c)(1)(A)(i) and financial assistance to address other needs under subsection (e)'' after ``disaster''; (2) by redesignating paragraph (2) as paragraph (3); (3) by inserting after paragraph (1) the following: ``(2) Other needs assistance.--The maximum financial assistance any individual or household may receive under subsection (e) shall be equivalent to the amount set forth in paragraph (1) with respect to a single major disaster.''; (4) in paragraph (3) (as so redesignated), by striking ``paragraph (1)'' and inserting ``paragraphs (1) and (2)''; and (5) by inserting after paragraph (3) (as so redesignated) the following: ``(4) Exclusion of necessary expenses for individuals with disabilities.-- ``(A) The maximum amount of assistance established under paragraph (1) shall exclude expenses to repair or replace damaged accessibility-related improvements under paragraphs (2), (3), and (4) of subsection (c) for individuals with disabilities. ``(B) The maximum amount of assistance established under paragraph (2) shall exclude expenses to repair or replace accessibility-related personal property under subsection (e)(2) for individuals with disabilities.''. SEC. 2012. MULTIFAMILY LEASE AND REPAIR ASSISTANCE. (a) Lease and Repair of Rental Units for Temporary Housing.--Section 408(c)(1)(B)(ii)(II) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5174(c)(1)(B)(ii)(II)) is amended to read as follows: ``(II) Improvements or repairs.--Under the terms of any lease agreement for property entered into under this subsection, the value of the improvements or repairs shall be deducted from the value of the lease agreement.''. (b) Rental Properties Impacted.--Section 408(c)(1)(B)(ii)(I)(aa) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5174(c)(1)(B)(ii)(I)(aa)) is amended to read as follows: ``(aa) enter into lease agreements with owners of multifamily rental property impacted by a major disaster or located in areas covered by a major disaster declaration to house individuals and households eligible for assistance under this section; and''. (c) Inspector General Report.--Not later than 2 years after the date of the enactment of this Act, the inspector general of the Department of Homeland Security shall assess the use of the authority provided under section 408(c)(1)(B) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5174(c)(1)(B)), including the adequacy of any benefit-cost analysis done to justify the use of this alternative, and submit a report on the results of that review to the appropriate committees of Congress. SEC. 2013. FEDERAL DISASTER ASSISTANCE NONPROFIT FAIRNESS. (a) Definition of Private Nonprofit Facility.--Section 102(11)(B) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5122(11)(B)) is amended to read as follows: ``(B) Additional facilities.--In addition to the facilities described in subparagraph (A), the term `private nonprofit facility' includes any private nonprofit facility that provides essential services of a governmental nature to the general public (including museums, zoos, performing arts facilities, community arts centers, community centers, houses of worship exempt from taxation under section 501(c) of the Internal Revenue Code of 1986, libraries, homeless shelters, senior citizen centers, rehabilitation facilities, shelter workshops, food banks, broadcasting facilities, and facilities that provide health and safety services of a governmental nature), as defined by the President.''. (b) Repair, Restoration, and Replacement of Damaged Facilities.--Section 406(a)(3) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5172(a)(3)) is amended by adding at the end the following: ``(C) Houses of worship.-- ``(i) In general.--A church, synagogue, mosque, temple, or other house of worship, and a private nonprofit facility operated by a religious organization, shall be eligible for contributions under paragraph (1)(B) (subject to paragraph (3)(A)), without regard to the religious character of the facility or the primary religious use of the facility. ``(ii) Limitations.--Notwithstanding clause (i), in spaces dedicated to or primarily used for religious purposes, contributions under paragraph (1)(B) shall only be used to cover costs of purchasing or replacing, without limitation, the building structure, building enclosure components, building envelope, vertical and horizontal circulation, physical plant support spaces, electrical, plumbing, and mechanical systems (including heating, ventilation, air- conditioning, and fire and life safety systems), and related site improvements.''. (c) Applicability.--This section and the amendments made by this section shall apply to the provision of assistance in response to a major disaster or emergency declared on or after October 28, 2012. SEC. 2014. MANAGEMENT COSTS. Section 324 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5165b) is amended-- (1) in subsection (a) by striking ``any administrative expense, and any other expense not directly chargeable to'' and inserting ``direct administrative cost, and any other administrative expense associated with''; and (2) in subsection (b)-- (A) by striking ``Notwithstanding'' and inserting the following: ``(1) In general.--Notwithstanding''; (B) by striking ``establish'' and inserting the following: ``implement''; and (C) by adding at the end the following: ``(2) Specific management costs.--The Administrator shall provide the following percentage rates, in addition to the eligible project costs, to cover direct and indirect costs of administering the following ***programs***: ``(A) Hazard mitigation.--A grantee under section 404 may be reimbursed not more than 15 percent of the total amount of the grant award under such section of which not more than 10 percent may be used by the grantee and 5 percent by the subgrantee for such costs. ``(B) Public assistance.--A grantee under sections 403, 406, 407, and 502 may be reimbursed not more than 12 percent of the total award amount under such sections, of which not more than 7 percent may be used by the grantee and 5 percent by the subgrantee for such costs.''. SEC. 2015. FLEXIBILITY. (a) Definition.--In this section, the term ``covered assistance'' means assistance provided-- (1) under section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5174); and [[Page H10378]] (2) in relation to a major disaster or emergency declared by the President under section 401 or 501 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170; 42 U.S.C 5191) on or after October 28, 2012. (b) Waiver Authority.--Notwithstanding section 3716(e) of title 31, United States Code, the Administrator of the Federal Emergency Management Agency-- (1) subject to paragraph (2), may waive a debt owed to the United States related to covered assistance provided to an individual or household if-- (A) the covered assistance was distributed based on an error by the Federal Emergency Management Agency; (B) there was no fault on behalf of the debtor; and (C) the collection of the debt would be against equity and good conscience; and (2) may not waive a debt under paragraph (1) if the debt involves fraud, the presentation of a false claim, or misrepresentation by the debtor or any party having an interest in the claim. (c) Monitoring of Covered Assistance Distributed Based on Error.-- (1) In general.--The inspector general of the Department of Homeland Security shall monitor the distribution of covered assistance to individuals and households to determine the percentage of such assistance distributed based on an error. (2) Removal of waiver authority based on excessive error rate.--If the inspector general determines, with respect to any 12-month period, that the amount of covered assistance distributed based on an error by the Federal Emergency Management Agency exceeds 4 percent of the total amount of covered assistance distributed-- (A) the inspector general shall notify the Administrator and publish the determination in the Federal Register; and (B) with respect to any major disaster or emergency declared by the President under section 401 or section 501, respectively, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170; 42 U.S.C 5191) after the date on which the determination is published under subparagraph (A), the authority of the Administrator to waive debt under subsection (b) shall no longer be effective. SEC. 2016. ADDITIONAL DISASTER ASSISTANCE. (a) Disaster Mitigation.--Section 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C 3149) is amended by adding at the end the following: ``(e) Disaster Mitigation.--In providing assistance pursuant to subsection (c)(2), if appropriate and as applicable, the Secretary may encourage hazard mitigation in assistance provided pursuant to such subsection.''. (b) Emergency Management Assistance Compact Grants.-- Section 661(d) of the Post-Katrina Emergency Management Reform Act of 2006 (6 U.S.C 761(d)) is amended by striking ``for fiscal year 2008'' and inserting ``for each of fiscal years 2018 through 2022''. (c) Emergency Management Performance Grants ***Program***.-- Section 662(f) of the Post-Katrina Emergency Management Reform Act of 2006 (6 U.S.C 762(f)) is amended by striking ``the ***program***'' and all that follows through ``2012'' and inserting ``the ***program***, for each of fiscal years 2018 through 2022''. (d) Technical Amendment.--Section 403(a)(3) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170b(a)(3)) is amended by striking the second subparagraph (J). SEC. 2017. NATIONAL VETERINARY EMERGENCY TEAMS. (a) In General.--The Administrator of the Federal Emergency Management Agency may establish one or more national veterinary emergency teams at accredited colleges of veterinary medicine. (b) Responsibilities.--A national veterinary emergency team shall-- (1) deploy with a team of the National Urban Search and Rescue Response System to assist with-- (A) veterinary care of canine search teams; (B) locating and treating companion animals, service animals, livestock, and other animals; and (C) surveillance and treatment of zoonotic diseases; (2) recruit, train, and certify veterinary professionals, including veterinary students, in accordance with an established set of ***plans*** and standard operating guidelines to carry out the duties associated with ***planning*** for and responding to emergencies as described in paragraph (1); (3) assist State, Tribal, and local governments and nonprofit organizations in developing emergency management and evacuation ***plans*** that account for the care and rescue of animals and in improving local readiness for providing veterinary medical response during a disaster; and (4) coordinate with the Department of Homeland Security, the Department of Health and Human Services, the Department of ***Agriculture***, State, Tribal, and local governments (including departments of animal and human health), veterinary and health care professionals, and volunteers. SEC. 2018. DISPUTE RESOLUTION PILOT ***PROGRAM***. Section 1105(c) of the Sandy Recovery Improvement Act of 2013 (42 U.S.C 5189a note) is amended by striking ``2015'' and inserting ``2022''. SEC. 2019. EMERGENCY RELIEF. Notwithstanding any other provision of law, for each of fiscal years 2018 and 2019, obligations for projects undertaken to respond to damages caused by Hurricanes Irma and Maria shall be excluded from any calculation of total obligations for purposes of section 125(d)(4) of title 23, United States Code. SEC. 2020. UNIFIED FEDERAL ENVIRONMENTAL AND HISTORIC PRESERVATION REVIEW. (a) Review and Analysis.--Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Emergency Management Agency shall review the Unified Federal Environmental and Historic Preservation review process established pursuant to section 429 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5189g), and submit a report to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate that includes the following: (1) An analysis of whether and how the unified process has expedited the interagency review process to ensure compliance with the environmental and historic requirements under Federal law relating to disaster recovery projects. (2) A survey and analysis of categorical exclusions used by other Federal agencies that may be applicable to any activity related to a Presidentially declared major disaster or emergency under such Act. (3) Recommendations on any further actions, including any legislative proposals, needed to expedite and streamline the review process. (b) Regulations.--After completing the review, survey, and analyses under subsection (a), but not later than 2 years after the date of enactment of this Act, and after providing notice and opportunity for public comment, the Administrator shall issue regulations to implement any regulatory recommendations, including any categorical exclusions identified under subsection (a), to the extent that the categorical exclusions meet the criteria for a categorical exclusion under section 1508.4 of title 40, Code of Federal Regulations, and section II of DHS Instruction Manual 023-01- 001-01. SEC. 2021. CLOSEOUT INCENTIVES. (a) Facilitating Closeout.--Section 705 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5205) is amended by adding at the end the following: ``(d) Facilitating Closeout.-- ``(1) Incentives.--The Administrator may develop incentives and penalties that encourage State, Tribal, or local governments to close out expenditures and activities on a timely basis related to disaster or emergency assistance. ``(2) Agency requirements.--The Agency shall, consistent with applicable regulations and required procedures, meet its responsibilities to improve closeout practices and reduce the time to close disaster ***program*** awards.''. (b) Regulations.--The Administrator shall issue regulations to implement this section. SEC. 2022. PERFORMANCE OF SERVICES. Section 306 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5149) is amended by adding at the end the following: ``(c) The Administrator of the Federal Emergency Management Agency is authorized to appoint temporary personnel, after serving continuously for 3 years, to positions in the Agency in the same manner that competitive service employees with competitive status are considered for transfer, reassignment, or promotion to such positions. An individual appointed under this subsection shall become a career-conditional employee, unless the employee has already completed the service requirements for career tenure.''. SEC. 2023. STUDY TO STREAMLINE AND CONSOLIDATE INFORMATION COLLECTION. Not later than 1 year after the date of enactment of this Act, the Administrator of the Federal Emergency Management Agency shall-- (1) in coordination with the Small Business Administration, the Department of Housing and Urban Development, and other appropriate agencies, conduct a study and develop a ***plan***, consistent with law, under which the collection of information from disaster assistance applicants and grantees will be modified, streamlined, expedited, efficient, flexible, consolidated, and simplified to be less burdensome, duplicative, and time consuming for applicants and grantees; (2) in coordination with the Small Business Administration, the Department of Housing and Urban Development, and other appropriate agencies, develop a ***plan*** for the regular collection and reporting of information on Federal disaster assistance awarded, including the establishment and maintenance of a website for presenting the information to the public; and (3) submit the ***plans*** to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate. SEC. 2024. AGENCY ACCOUNTABILITY. Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act is amended by adding at the end the following: ``SEC. 430. AGENCY ACCOUNTABILITY. ``(a) Public Assistance.--Not later than 5 days after an award of a public assistance grant is made under section 406 that is in excess of $1,000,000, the Administrator shall publish on the Agency's website the specifics of each such grant award, including-- [[Page H10379]] ``(1) identifying the Federal Emergency Management Agency Region; ``(2) the disaster or emergency declaration number; ``(3) the State, county, and applicant name; ``(4) if the applicant is a private nonprofit organization; ``(5) the damage category code; ``(6) the amount of the Federal share obligated; and ``(7) the date of the award. ``(b) Mission Assignments.-- ``(1) In general.--Not later than 5 days after the issuance of a mission assignment or mission assignment task order, the Administrator shall publish on the Agency's website any mission assignment or mission assignment task order to another Federal department or agency regarding a major disaster in excess of $1,000,000, including-- ``(A) the name of the impacted State or Tribe; ``(B) the disaster declaration for such State or Tribe; ``(C) the assigned agency; ``(D) the assistance requested; ``(E) a description of the disaster; ``(F) the total cost estimate; ``(G) the amount obligated; ``(H) the State or Tribal cost share, if applicable; ``(I) the authority under which the mission assignment or mission assignment task order was directed; and ``(J) if applicable, the date a State or Tribe requested the mission assignment. ``(2) Recording changes.--Not later than 10 days after the last day of each month until a mission assignment or mission assignment task order described in paragraph (1) is completed and closed out, the Administrator shall update any changes to the total cost estimate and the amount obligated. ``(c) Disaster Relief Monthly Report.--Not later than 10 days after the first day of each month, the Administrator shall publish on the Agency's website reports, including a specific description of the methodology and the source data used in developing such reports, including-- ``(1) an estimate of the amounts for the fiscal year covered by the President's most recent budget pursuant to section 1105(a) of title 31, United States Code, including-- ``(A) the unobligated balance of funds to be carried over from the prior fiscal year to the budget year; ``(B) the unobligated balance of funds to be carried over from the budget year to the budget year plus 1; ``(C) the amount of obligations for noncatastrophic events for the budget year; ``(D) the amount of obligations for the budget year for catastrophic events delineated by event and by State; ``(E) the total amount that has been previously obligated or will be required for catastrophic events delineated by event and by State for all prior years, the current fiscal year, the budget year, and each fiscal year thereafter; ``(F) the amount of previously obligated funds that will be recovered for the budget year; ``(G) the amount that will be required for obligations for emergencies, as described in section 102(1), major disasters, as described in section 102(2), fire management assistance grants, as described in section 420, surge activities, and disaster readiness and support activities; and ``(H) the amount required for activities not covered under section 251(b)(2)(D)(iii) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C 901(b)(2)(D)(iii)); and ``(2) an estimate or actual amounts, if available, of the following for the current fiscal year shall be submitted not later than the fifth day of each month, published by the Administrator on the Agency's website not later than the fifth day of each month: ``(A) A summary of the amount of appropriations made available by source, the transfers executed, the previously allocated funds recovered, and the commitments, allocations, and obligations made. ``(B) A table of disaster relief activity delineated by month, including-- ``(i) the beginning and ending balances; ``(ii) the total obligations to include amounts obligated for fire assistance, emergencies, surge, and disaster support activities; ``(iii) the obligations for catastrophic events delineated by event and by State; and ``(iv) the amount of previously obligated funds that are recovered. ``(C) A summary of allocations, obligations, and expenditures for catastrophic events delineated by event. ``(D) The cost of the following categories of spending: ``(i) Public assistance. ``(ii) Individual assistance. ``(iii) Mitigation. ``(iv) Administrative. ``(v) Operations. ``(vi) Any other relevant category (including emergency measures and disaster resources) delineated by disaster. ``(E) The date on which funds appropriated will be exhausted. ``(d) Contracts.-- ``(1) Information.--Not later than 10 days after the first day of each month, the Administrator shall publish on the Agency's website the specifics of each contract in excess of $1,000,000 that the Agency enters into, including-- ``(A) the name of the party; ``(B) the date the contract was awarded; ``(C) the amount and scope of the contract; ``(D) if the contract was awarded through competitive bidding process; ``(E) if no competitive bidding process was used, the reason why competitive bidding was not used; and ``(F) the authority used to bypass the competitive bidding process. The information shall be delineated by disaster, if applicable, and specify the damage category code, if applicable. ``(2) Report.--Not later than 10 days after the last day of the fiscal year, the Administrator shall provide a report to the appropriate committees of Congress summarizing the following information for the preceding fiscal year: ``(A) The number of contracts awarded without competitive bidding. ``(B) The reasons why a competitive bidding process was not used. ``(C) The total amount of contracts awarded with no competitive bidding. ``(D) The damage category codes, if applicable, for contracts awarded without competitive bidding.''. SEC. 2025. AUDIT OF CONTRACTS. Notwithstanding any other provision of law, the Administrator of the Federal Emergency Management Agency shall not reimburse a State, Tribe, or local government or the owner or operator of a private nonprofit facility for any activities made pursuant to a contract entered into after August 1, 2017, that prohibits the Administrator or the Comptroller General of the United States from auditing or otherwise reviewing all aspects relating to the contract. SEC. 2026. INSPECTOR GENERAL AUDIT OF FEMA CONTRACTS FOR TARPS AND PLASTIC SHEETING. (a) In General.--Not later than 30 days after the date of enactment of this Act, the inspector general of the Department of Homeland Security shall initiate an audit of the contracts awarded by the Federal Emergency Management Agency (in this section referred to as ``FEMA'') for tarps and plastic sheeting for the Commonwealth of Puerto Rico and the United States Virgin Islands in response to Hurricane Irma and Hurricane Maria. (b) Considerations.--In carrying out the audit under subsection (a), the inspector general shall review-- (1) the contracting process used by FEMA to evaluate offerors and award the relevant contracts to contractors; (2) FEMA's assessment of the past performance of the contractors, including any historical information showing that the contractors had supported large-scale delivery quantities in the past; (3) FEMA's assessment of the capacity of the contractors to carry out the relevant contracts, including with respect to inventory, production, and financial capabilities; (4) how FEMA ensured that the contractors met the terms of the relevant contracts; and (5) whether the failure of the contractors to meet the terms of the relevant contracts and FEMA's subsequent cancellation of the relevant contracts affected the provision of tarps and plastic sheeting to the Commonwealth of Puerto Rico and the United States Virgin Islands. (c) Report.--Not later than 270 days after the date of initiation of the audit under subsection (a), the inspector general shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report on the results of the audit, including findings and recommendations. SEC. 2027. RELIEF ORGANIZATIONS. Section 309 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5152) is amended-- (1) in subsection (a), by striking ``and other relief or'' and inserting ``long-term recovery groups, domestic hunger relief, and other relief, or''; and (2) in subsection (b), by striking ``and other relief or'' and inserting ``long-term recovery groups, domestic hunger relief, and other relief, or''. SEC. 2028. GUIDANCE ON INUNDATED AND SUBMERGED ROADS. The Administrator of the Federal Emergency Management Agency, in coordination with the Administrator of the Federal Highway Administration, shall develop and issue guidance for State, local, and Tribal governments regarding repair, restoration, and replacement of inundated and submerged roads damaged or destroyed by a major disaster, and for associated expenses incurred by the Government, with respect to roads eligible for assistance under section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5172). SEC. 2029. AUTHORITIES. Notwithstanding any other provision of law, the non- federally funded actions of private parties and State, local, or Tribal governments, on State, local, Tribal, and private land, and the effects of those actions, shall not be attributed to the Federal Emergency Management Agency's actions under the National Flood Insurance Act of 1968 (42 U.S.C 4001 et seq.), the Flood Disaster Protection Act of 1973 (42 U.S.C 4002 et seq.), the Biggert-Waters Flood Insurance Reform Act of 2012 (subtitle A of title II of division F of Public Law 112-141; 126 Stat. 916), and the Homeowner Flood Insurance Affordability Act of 2014 (Public Law 113-89; 128 Stat. 1020) for the purposes of section 7 (16 U.S.C 1536) and section 9 (16 U.S.C 1538) of the Endangered Species Act. Actions taken under the [[Page H10380]] National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, the Biggert-Waters Flood Insurance Reform Act of 2012, and the Homeowner Flood Insurance Affordability Act of 2014, that may influence private actions do not create a Federal nexus for the purpose of applying the requirements of section 7 of the Endangered Species Act of 1973 (16 U.S.C 1536). SEC. 2030. RECOUPMENT OF CERTAIN ASSISTANCE PROHIBITED. (a) In General.--Notwithstanding section 3716(e) of title 31, United States Code, and unless there is evidence of civil or criminal fraud, the Federal Emergency Management Agency may not take any action to recoup covered assistance from the recipient of such assistance if the receipt of such assistance occurred on a date that is more than 3 years before the date on which the Federal Emergency Management Agency first provides to the recipient written notification of an intent to recoup. (b) Covered Assistance Defined.--In this section, the term ``covered assistance'' means assistance provided-- (1) under section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5174); and (2) in relation to a major disaster or emergency declared by the President under section 401 or 501 of such Act (42 U.S.C 5170; 42 U.S.C 5191) on or after January 1, 2012. SEC. 2031. STATUTE OF LIMITATIONS. (a) In General.--Section 705 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5205) is amended-- (1) in subsection (a)(1)-- (A) by striking ``Except'' and inserting ``Notwithstanding section 3716(e) of title 31, United States Code, and except''; and (B) by striking ``report for the disaster or emergency'' and inserting ``report for project completion as certified by the grantee''; and (2) in subsection (b)-- (A) in paragraph (1) by striking ``report for the disaster or emergency'' and inserting ``report for project completion as certified by the grantee''; and (B) in paragraph (3) by inserting ``for project completion as certified by the grantee'' after ``final expenditure report''. (b) Applicability.-- (1) In general.--With respect to disaster or emergency assistance provided to a State or local government on or after January 1, 2004-- (A) no administrative action may be taken to recover a payment of such assistance after the date of enactment of this Act if the action is prohibited under section 705(a)(1) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5205(a)(1)), as amended by subsection (a); and (B) any administrative action to recover a payment of such assistance that is pending on such date of enactment shall be terminated if the action is prohibited under section 705(a)(1) of that Act, as amended by subsection (a). (2) Limitation.--This section, including the amendments made by this section, may not be construed to invalidate or otherwise affect any administration action completed before the date of enactment of this Act. SEC. 2032. TECHNICAL ASSISTANCE AND RECOMMENDATIONS. (a) Technical Assistance.--The Administrator of the Federal Emergency Management Agency shall provide technical assistance to a common interest community that provides essential services of a governmental nature on actions that a common interest community may take in order to be eligible to receive reimbursement from a grantee that receives funds from the Agency for certain activities performed after an event that results in a disaster declaration. (b) Recommendations.--Not later than 90 days after the date of enactment of this Act, the Administrator shall provide to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a legislative proposal on how to provide eligibility for disaster assistance with respect to common areas of condominiums and housing cooperatives. SEC. 2033. GUIDANCE ON HAZARD MITIGATION ASSISTANCE. (a) In General.--Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Emergency Management Agency shall issue guidance regarding the acquisition of property for open space as a mitigation measure under section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170c) that includes-- (1) a process by which the State hazard mitigation officer appointed for such an acquisition shall, not later than 60 days after the applicant for assistance enters into an agreement with the Administrator regarding the acquisition, provide written notification to each affected unit of local government for such acquisition that includes-- (A) the location of the acquisition; (B) the State-local assistance agreement for the hazard mitigation grant ***program***; (C) a description of the acquisition; and (D) a copy of the deed restriction; and (2) recommendations for entering into and implementing a memorandum of understanding between units of local government and covered entities that includes provisions to allow an affected unit of local government notified under paragraph (1) to-- (A) use and maintain the open space created by such a project, consistent with section 404 (including related regulations, standards, and guidance) and consistent with all adjoining property, subject to the notification of the adjoining property, so long as the cost of the maintenance is borne by the local government; and (B) maintain the open space pursuant to standards exceeding any local government standards defined in the agreement with the Administrator described under paragraph (1). (b) Definitions.--In this section the following definitions apply: (1) Affected unit of local government.--The term ``affected unit of local government'' means any entity covered by the definition of local government in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5122), that has jurisdiction over the property subject to the acquisition described in subsection (a). (2) Covered entity.--The term ``covered entity'' means-- (A) the grantee or subgrantee receiving assistance for an open space project described in subsection (a); (B) the State in which such project is located; and (C) the applicable Regional Administrator of the Federal Emergency Management Agency. SEC. 2034. LOCAL IMPACT. In making recommendations to the President regarding a major disaster declaration, the Administrator of the Federal Emergency Management Agency shall give greater weight and consideration to severe local impact or recent multiple disasters. Further, the Administrator shall make corresponding adjustments to the Agency's policies and regulations regarding such consideration. Not later than 1 year after the date of enactment of this section, the Administrator shall report to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on the changes made to regulations and policies and the number of declarations that have been declared based on the new criteria. SEC. 2035. ADDITIONAL HAZARD MITIGATION ACTIVITIES. Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170c) is further amended by adding at the end the following: ``(g) Use of Assistance.--Recipients of hazard mitigation assistance provided under this section and section 203 may use the assistance to conduct activities to help reduce the risk of future damage, hardship, loss, or suffering in any area affected by earthquake hazards, including-- ``(1) improvements to regional seismic networks in support of building a capability for earthquake early warning; ``(2) improvements to geodetic networks in support of building a capability for earthquake early warning; and ``(3) improvements to seismometers, Global Positioning System receivers, and associated infrastructure in support of building a capability for earthquake early warning.''. SEC. 2036. NATIONAL PUBLIC INFRASTRUCTURE PREDISASTER HAZARD MITIGATION. (a) Predisaster Hazard Mitigation.--Section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5133) is amended-- (1) in subsection (c) by inserting ``Public Infrastructure'' after ``the National''; (2) in subsection (e)(1)(B)-- (A) by striking ``or'' at the end of clause (ii); (B) by striking the period at the end of clause (iii) and inserting ``; or''; and (C) by adding at the end the following: ``(iv) to establish and carry out enforcement activities to implement the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the latest hazard-resistant designs and establish minimum acceptable criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for assistance under this Act for the purpose of protecting the health, safety, and general welfare of the buildings' users against disasters.''; (3) in subsection (f)-- (A) in paragraph (1) by inserting ``for mitigation activities that are cost effective'' after ``competitive basis''; and (B) by adding at the end the following: ``(3) Redistribution of unobligated amounts.--The President may-- ``(A) withdraw amounts of financial assistance made available to a State (including amounts made available to local governments of a State) under this subsection that remain unobligated by the end of the third fiscal year after the fiscal year for which the amounts were allocated; and ``(B) in the fiscal year following a fiscal year in which amounts were withdrawn under subparagraph (A), add the amounts to any other amounts available to be awarded on a competitive basis pursuant to paragraph (1).''; (4) in subsection (g)-- (A) in paragraph (9) by striking ``and'' at the end; (B) by redesignating paragraph (10) as paragraph (12); and (C) by adding after paragraph (9) the following: ``(10) the extent to which the State or local government has facilitated the adoption and enforcement of the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the [[Page H10381]] latest hazard-resistant designs and establish criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for assistance under this Act for the purpose of protecting the health, safety, and general welfare of the buildings' users against disasters; ``(11) the extent to which the assistance will fund activities that increase the level of resiliency; and''; (5) by striking subsection (i) and inserting the following: ``(i) National Public Infrastructure Predisaster Mitigation Assistance.-- ``(1) In general.--The President may set aside from the Disaster Relief Fund, with respect to each major disaster, an amount equal to 6 percent of the estimated aggregate amount of the grants to be made pursuant to sections 403, 406, 407, 408, 410, and 416 for the major disaster in order to provide technical and financial assistance under this section. ``(2) Estimated aggregate amount.--Not later than 180 days after each major disaster declaration pursuant to this Act, the estimated aggregate amount of grants for purposes of paragraph (1) shall be determined by the President and such estimated amount need not be reduced, increased, or changed due to variations in estimates. ``(3) No reduction in amounts.--The amount set aside pursuant to paragraph (1) shall not reduce the amounts otherwise made available for sections 403, 404, 406, 407, 408, 410, and 416 under this Act.''; and (6) by striking subsections (j) and (m) and redesignating subsections (k), (l), and (n) as subsections (j), (k), and (l), respectively. (b) Applicability.--The amendments made to section 203 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5133) by paragraphs (3) and (5) of subsection (a) shall apply to funds appropriated after the date of enactment of this Act. SEC. 2037. ADDITIONAL MITIGATION ACTIVITIES. (a) Hazard Mitigation Clarification.--Section 404(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5170c(a)) is amended by striking the first sentence and inserting the following: ``The President may contribute up to 75 percent of the cost of hazard mitigation measures which the President has determined are cost effective and which substantially reduce the risk of, or increase resilience to, future damage, hardship, loss, or suffering in any area affected by a major disaster.''. (b) Eligible Cost.--Section 406(e)(1)(A) of such Act (42 U.S.C 5172(e)(1)(A)) is amended-- (1) in the matter preceding clause (i), by inserting after ``section,'' the following: ``for disasters declared on or after August 1, 2017, or a disaster in which a cost estimate has not yet been finalized for a project,''; (2) in clause (i), by striking ``and''; (3) in clause (ii)-- (A) by striking ``codes, specifications, and standards'' and inserting ``the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the latest hazard-resistant designs and establish minimum acceptable criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for assistance under this Act for the purposes of protecting the health, safety, and general welfare of a facility's users against disasters''; (B) by striking ``applicable at the time at which the disaster occurred''; and (C) by striking the period at the end and inserting ``; and''; and (4) by adding at the end the following: ``(iii) in a manner that allows the facility to meet the definition of resilient developed pursuant to this subsection.''. (c) Other Eligible Cost.--Section 406(e)(1) of such Act (42 U.S.C 5172(e)(1)) is further amended by inserting at the end the following: ``(C) Contributions.--Contributions for the eligible cost made under this section may be provided on an actual cost basis or on cost-estimation procedures.''. (d) New Rules.--Section 406(e) of such Act (42 U.S.C 5172(e)) is further amended by adding at the end the following: ``(5) New rules.-- ``(A) In general.--Not later than 18 months after the date of enactment of this paragraph, the President, acting through the Administrator of the Federal Emergency Management Agency, shall issue a final rulemaking that defines the terms `resilient' and `resiliency' for purposes of this subsection. ``(B) Interim guidance.--Not later than 60 days after the date of enactment of this paragraph, the Administrator shall issue interim guidance to implement this subsection. Such interim guidance shall expire 18 months after the date of enactment of this paragraph or upon issuance of final regulations pursuant to subparagraph (A), whichever occurs first. ``(C) Guidance.--Not later than 90 days after the date on which the Administrator issues the final rulemaking under this paragraph, the Administrator shall issue any necessary guidance related to the rulemaking. ``(D) Report.--Not later than 2 years after the date of enactment of this paragraph, the Administrator shall submit to Congress a report summarizing the regulations and guidance issued pursuant to this paragraph.''. (e) Conforming Amendment.--Section 205(d)(2) of the Disaster Mitigation Act of 2000 (Public Law 106-390) is amended by inserting ``(B)'' after ``except that paragraph (1)''. SEC. 2038. FEDERAL COST-SHARE ADJUSTMENTS FOR REPAIR, RESTORATION, AND REPLACEMENT OF DAMAGED FACILITIES. Section 406(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C 5172(b)) is amended by inserting after paragraph (2) the following: ``(3) Increased federal share.-- ``(A) Incentive measures.--The President may provide incentives to a State or Tribal government to invest in measures that increase readiness for, and resilience from, a major disaster by recognizing such investments through a sliding scale that increases the minimum Federal share to 85 percent. Such measures may include-- ``(i) the adoption of a mitigation ***plan*** approved under section 322; ``(ii) investments in disaster relief, insurance, and emergency management ***programs***; ``(iii) encouraging the adoption and enforcement of the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the latest hazard-resistant designs and establish minimum acceptable criteria for the design, construction, and maintenance of residential structures and facilities that may be eligible for assistance under this Act for the purpose of protecting the health, safety, and general welfare of the buildings' users against disasters; ``(iv) facilitating participation in the community rating system; and ``(v) funding mitigation projects or granting tax incentives for projects that reduce risk. ``(B) Comprehensive guidance.--Not later than 1 year after the date of enactment of this paragraph, the President, acting through the Administrator, shall issue comprehensive guidance to State and Tribal governments regarding the measures and investments, weighted appropriately based on actuarial assessments of eligible actions, that will be recognized for the purpose of increasing the Federal share under this section. Guidance shall ensure that the agency's review of eligible measures and investments does not unduly delay determining the appropriate Federal cost share. ``(C) Report.--One year after the issuance of the guidance required by subparagraph (B), the Administrator shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report regarding the analysis of the Federal cost shares paid under this section. ``(D) Savings clause.--Nothing in this paragraph prevents the President from increasing the Federal cost share above 85 percent.''. DIVISION C--OTHER MATTERS SEC. 3001. TREATMENT OF SEED COTTON. (a) Definition.--Section 1111 of the ***Agricultural*** Act of 2014 (7 U.S.C 9011) is amended by adding at the end the following new paragraph: ``(25) Seed cotton.--The term `seed cotton' means unginned upland cotton that includes both lint and seed.''. (b) Designation as Covered Commodity.--Section 1111(6) of the ***Agricultural*** Act of 2014 (7 U.S.C 9011(6)) is amended by adding at the end the following new sentence: ``Effective beginning with the 2018 crop year, the term includes seed cotton.''. (c) Reference Price.--Section 1111(18) of the ***Agricultural*** Act of 2014 (7 U.S.C 9011(18)) is amended by adding at the end the following new subparagraph: ``(O) For seed cotton, $0.367 per pound.''. (d) Payment Yield.--Section 1113(d) of the ***Agricultural*** Act of 2014 (7 U.S.C 9013(d)) is amended by adding at the end the following new paragraph: ``(5) Payment yield for seed cotton.-- ``(A) Payment yield.--Subject to subparagraph (B), the payment yield for seed cotton for a farm shall be equal to 2.4 times the payment yield for upland cotton for the farm established for purposes of subsection (e)(3) of section 1104 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 1672), as in effect immediately before the repeal of such section by section 1102(a) of the ***Agricultural*** Act of 2014 (Public Law 113-79; 128 Stat. 658). ``(B) Update.--At the sole discretion of the owner of a farm with a yield described in subparagraph (A), the owner of the farm shall have a 1-time opportunity to update the payment yield for upland cotton for the farm, as provided in subsection (d), for the purpose of calculating the payment yield for seed cotton under such subparagraph.''. (e) Payment Acres.--Section 1114(b) of the ***Agricultural*** Act of 2014 (7 U.S.C 9014(b)) is amended by adding at the end the following new paragraph: ``(4) Seed cotton rule.-- ``(A) In general.--Not later than 90 days after the date of the enactment of this paragraph, the Secretary shall require the owner of a farm to allocate all generic base acres on the farm under subparagraph (B) or (C), or both. ``(B) No recent history of covered commodities.--In the case of a farm where no covered commodities (including seed cotton) were planted or were prevented from being planted at any time during the 2009 through 2016 crop years, the owner of such farm shall allocate generic base acres on the farm to unassigned crop base for which no payments may be made under section 1116 or 1117. [[Page H10382]] ``(C) Recent history of covered commodities.--In the case of a farm not described in subparagraph (B), the owner of such farm shall allocate generic base acres on the farm-- ``(i) subject to subparagraph (D), to seed cotton base acres in an amount equal to the greater of-- ``(I) 80 percent of the generic base acres on the farm; or ``(II) the average seed cotton acres planted or prevented from being planted on the farm during the 2009 through 2012 crop years (not to exceed the total generic base acres on the farm); or ``(ii) to covered commodities (including seed cotton), by applying subparagraphs (B), (D), (E), and (F) of section 1112(a)(3). ``(D) Treatment of residual generic base acres.--In the case of a farm where generic base acres are allocated under subparagraph (C)(i), the residual generic base acres shall be allocated to unassigned crop base for which no payments may be made under section 1116 or 1117. ``(E) Effect of failure to allocate.--If the owner of a farm fails to allocate generic base acres on the farm, the owner of the farm shall be deemed to have allocated all generic base acres in accordance with subparagraph (C)(i).''. (f) Recordkeeping Regarding Unassigned Crop Base.--Section 1114 of the ***Agricultural*** Act of 2014 (7 U.S.C 9014) is amended by adding at the end the following new subsection: ``(f) Unassigned Crop Base.--The Secretary shall maintain information on generic base acres on a farm allocated as unassigned crop base pursuant to subsection (b)(4).''. (g) Special Election Period for Price Loss Coverage or ***Agriculture*** Risk Coverage.--Section 1115 of the ***Agricultural*** Act of 2014 (7 U.S.C 9014(b)) is amended-- (1) in subsection (a), by striking ``For'' and inserting ``Except as provided in subsection (g), for''; and (2) by adding at the end the following new subsection: ``(g) Special Election.-- ``(1) Election required.--In the case of acres allocated on a farm to seed cotton, all of the ***producers*** on the farm shall be given the opportunity to make a new 1-time election under subsection (a) to reflect the designation of seed cotton as a covered commodity for that crop year under section 1111(6). ``(2) Effect of failure to make unanimous election.--If all of the ***producers*** on a farm fail to make a unanimous election under paragraph (1), the ***producers*** on the farm shall be deemed to have elected price loss coverage under section 1116 for all acres allocated on the farm to seed cotton.''. (h) Effective Price.--Section 1116 of the ***Agricultural*** Act of 2014 (7 U.S.C 9016(b)) is amended by adding at the end the following new subsection: ``(h) Effective Price for Seed Cotton.-- ``(1) In general.--The effective price for seed cotton under subsection (b) shall be equal to the marketing year average price for seed cotton, as calculated under paragraph (2). ``(2) Calculation.--The marketing year average price for seed cotton for a crop year shall be equal to the quotient of-- ``(A) a dividend that is equal to the sum of-- ``(i) the product obtained when the upland cotton lint marketing year average price is multiplied by total United States upland cotton lint production measured in pounds; and ``(ii) the product obtained when the cottonseed marketing year average price is multiplied by total United States cottonseed production measured in pounds; and ``(B) a divisor that is equal to the sum of-- ``(i) total United States upland cotton lint production measured in pounds; and ``(ii) total United States cottonseed production measured in pounds.''. (i) Deemed Loan Rate for Seed Cotton.--Section 1202 of the ***Agricultural*** Act of 2014 (7 U.S.C 9032) is amended by adding at the end the following new subsection: ``(c) Rule for Seed Cotton.-- ``(1) In general.--For purposes of section 1116(b)(2) and paragraphs (1)(B)(ii) and (2)(A)(ii)(II) of section 1117(b) only, seed cotton shall be deemed to have a loan rate equal to $0.25 per pound. ``(2) Rule of construction.--Nothing in this subsection shall be construed to authorize nonrecourse marketing assistance loans under this part for seed cotton.''. (j) Limitation on Stacked Income Protection ***Plan*** for ***Producers*** of Upland Cotton.--Section 508B of the ***Agricultural*** Adjustment Act of 1938 (7 U.S.C 1508b) is amended by adding the following new subsection: ``(f) Limitation.--Beginning with the 2018 crop year, in the case of a farm that is enrolled for a crop year in price loss coverage under section 1116 of the ***Agricultural*** Act of 2014 (7 U.S.C 9016) or ***agriculture*** risk coverage under section 1117 of such Act (7 U.S.C 9017) and the coverage on the farm includes seed cotton, the farm shall not be eligible for a Stacked Income Protection ***Plan*** for upland cotton for that crop year.''. (k) Technical Correction.--Section 1114(b)(2) of the ***Agricultural*** Act of 2014 (7 U.S.C 9014(b)(2)) is amended by striking ``paragraphs (1)(B) and (2)(B)'' and inserting ``paragraphs (1) and (2)''. (l) Administration.--The Secretary of ***Agriculture*** shall carry out the amendments made by this section in the manner provided under section 1601 of the ***Agricultural*** Act of 2014 (7 U.S.C 9091). (m) Application.--The amendments made by this section shall apply beginning with the 2018 crop year. SEC. 3002. LIMITATION ON CROP INSURANCE LIVESTOCK-RELATED EXPENDITURES. (a) In General.--Paragraph (10) of section 523(b) of the Federal Crop Insurance Act (7 U.S.C 1523) is repealed. (b) Conforming Amendments.--Section 516 of the Federal Crop Insurance Act (7 U.S.C 1516) is amended in subsections (a)(2)(C) and (b)(1)(D) by striking ``subsections (a)(3)(E)(ii) and (b)(10) of section 523'' and inserting ``subsection (a)(3)(E)(ii) of such section''. SEC. 3003. NATIONAL ACCURACY CLEARINGHOUSE. The Food and Nutrition Act of 2008 (7 U.S.C 2011 et seq.) is amended at the end by adding the following: ``SEC. 30. NATIONAL ACCURACY CLEARINGHOUSE. ``(a) In General.--The Secretary shall establish an interstate database, or system of databases, of supplemental nutrition assistance ***program*** information to be known as the National Accuracy Clearinghouse. ``(b) Purpose.--Any database or system of databases established pursuant to subsection (a) shall be used by States when making eligibility determinations to prevent supplemental nutrition assistance ***program*** participants from receiving duplicative benefits in multiple States. ``(c) Implementation.-- ``(1) Issuance of interim final regulations.--Not later than 18 months after the effective date of this section, the Secretary shall issue interim final regulations to carry out this section that-- ``(A) incorporate best practices and lessons learned from the regional pilot project referenced in section 4032(c) of the ***Agricultural*** Act of 2014 (7 U.S.C 2036c(c)); ``(B) safeguard the security of the data stored in the National Accuracy Clearinghouse and protect the privacy of supplemental nutrition assistance ***program*** participants and applicants; and ``(C) detail the process States will be required to follow for-- ``(i) conducting initial and ongoing matches of participant and applicant data; ``(ii) identifying and acting on all apparent instances of duplicative participation by participants or applicants in multiple States; and ``(iii) complying with such other rules and standards the Secretary determines appropriate to carry out this section. ``(2) Timing.--The initial match and corresponding actions required by paragraph (1)(C) shall occur within 3 years after the effective date of this section.''. SEC. 3004. PUERTO RICO LOW-INCOME COMMUNITIES TREATED AS QUALIFIED OPPORTUNITY ZONE. (a) In General.--Section 1400Z-1(b) of the Internal Revenue Code of 1986, as added by the Tax Cuts and Jobs Act, is amended by adding at the end the following new paragraph: ``(3) Special rule for puerto rico.--Each population census tract in Puerto Rico that is a low-income community shall be deemed to be certified and designated as a qualified opportunity zone.''. (b) Conforming Amendment.--Section 1400Z-1(d)(1) of such Code is amended by inserting ``and subsection (b)(3)'' after ``paragraph (2)''. (c) Effective Date.--The amendments made by this section shall take effect as if included in the enactment of section 13823 of the Tax Cuts and Jobs Act, and the deemed certification and designation under section 1400Z-1(b)(3) of such Code, as added by this section, shall treated as effective on the date of the enactment of such Act. DIVISION D--BUDGETARY EFFECTS SEC. 4001. BUDGETARY EFFECTS. (a) In General.--The budgetary effects of division B and each succeeding division (other than division E) shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010. (b) Senate PAYGO Scorecards.--The budgetary effects of division B and each succeeding division (other than division E) shall not be entered on any PAYGO scorecard maintained for purposes of section 4106 of H. Con. Res. 71 (115th Congress). (c) Classification of Budgetary Effects.--Notwithstanding Rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105-217 and section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985, the budgetary effects of division B and each succeeding division (other than division E) shall not be estimated-- (1) for purposes of section 251 of such Act; and (2) for purposes of paragraph (4)(C) of section 3 of the Statutory Pay-As-You-Go Act of 2010 as being included in an appropriation Act. DIVISION E--TAX RELIEF RELATING TO CERTAIN DISASTERS TITLE I--CALIFORNIA FIRES SEC. 5001. DEFINITIONS. For purposes of this title-- (1) California wildfire disaster zone.--The term ``California wildfire disaster zone'' means that portion of the California wildfire [[Page H10383]] disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of wildfires in California. (2) California wildfire disaster area.--The term ``California wildfire disaster area'' means an area with respect to which during 2017 a major disaster has been declared by the President under section 401 of such Act by reason of wildfires in California. SEC. 5002. SPECIAL DISASTER-RELATED RULES FOR USE OF RETIREMENT FUNDS. (a) Tax-Favored Withdrawals From Retirement ***Plans***.-- (1) In general.--Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified wildfire distribution. (2) Aggregate dollar limitation.-- (A) In general.--For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified wildfire distributions for any taxable year shall not exceed the excess (if any) of-- (i) $100,000, over (ii) the aggregate amounts treated as qualified wildfire distributions received by such individual for all prior taxable years. (B) Treatment of ***plan*** distributions.--If a distribution to an individual would (without regard to subparagraph (A)) be a qualified wildfire distribution, a ***plan*** shall not be treated as violating any requirement of the Internal Revenue Code of 1986 merely because the ***plan*** treats such distribution as a qualified wildfire distribution, unless the aggregate amount of such distributions from all ***plans*** maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000. (C) Controlled group.--For purposes of subparagraph (B), the term ``controlled group'' means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986. (3) Amount distributed may be repaid.-- (A) In general.--Any individual who receives a qualified wildfire distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement ***plan*** of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), of the Internal Revenue Code of 1986, as the case may be. (B) Treatment of repayments of distributions from eligible retirement ***plans*** other than iras.--For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a qualified wildfire distribution from an eligible retirement ***plan*** other than an individual retirement ***plan***, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified wildfire distribution in an eligible rollover distribution (as defined in section 402(c)(4) of such Code) and as having transferred the amount to the eligible retirement ***plan*** in a direct trustee to trustee transfer within 60 days of the distribution. (C) Treatment of repayments for distributions from iras.-- For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a qualified wildfire distribution from an individual retirement ***plan*** (as defined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the qualified wildfire distribution shall be treated as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement ***plan*** in a direct trustee to trustee transfer within 60 days of the distribution. (4) Definitions.--For purposes of this subsection-- (A) Qualified wildfire distribution.--Except as provided in paragraph (2), the term ``qualified wildfire distribution'' means any distribution from an eligible retirement ***plan*** made on or after October 8, 2017, and before January 1, 2019, to an individual whose principal place of abode on October 8, 2017, is located in the California wildfire disaster area and who has sustained an economic loss by reason of the wildfires to which the declaration of such area relates. (B) Eligible retirement ***plan***.--The term ``eligible retirement ***plan***'' shall have the meaning given such term by section 402(c)(8)(B) of the Internal Revenue Code of 1986. (5) Income inclusion spread over 3-year period.-- (A) In general.--In the case of any qualified wildfire distribution, unless the taxpayer elects not to have this paragraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year. (B) Special rule.--For purposes of subparagraph (A), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply. (6) Special rules.-- (A) Exemption of distributions from trustee to trustee transfer and withholding rules.--For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified wildfire distributions shall not be treated as eligible rollover distributions. (B) Qualified wildfire distributions treated as meeting ***plan*** distribution requirements.--For purposes the Internal Revenue Code of 1986, a qualified wildfire distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code. (b) Recontributions of Withdrawals for Home Purchases.-- (1) Recontributions.-- (A) In general.--Any individual who received a qualified distribution may, during the period beginning on October 8, 2017, and ending on June 30, 2018, make one or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement ***plan*** (as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), of such Code, as the case may be. (B) Treatment of repayments.--Rules similar to the rules of subparagraphs (B) and (C) of subsection (a)(3) shall apply for purposes of this subsection. (2) Qualified distribution.--For purposes of this subsection, the term ``qualified distribution'' means any distribution-- (A) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(11)(B), or 72(t)(2)(F), of the Internal Revenue Code of 1986, (B) received after March 31, 2017, and before January 15, 2018, and (C) which was to be used to purchase or construct a principal residence in the California wildfire disaster area but which was not so purchased or constructed on account of the wildfires to which the declaration of such area relates. (c) Loans From Qualified ***Plans***.-- (1) Increase in limit on loans not treated as distributions.--In the case of any loan from a qualified employer ***plan*** (as defined under section 72(p)(4) of the Internal Revenue Code of 1986) to a qualified individual made during the period beginning on the date of the enactment of this Act and ending on December 31, 2018-- (A) clause (i) of section 72(p)(2)(A) of such Code shall be applied by substituting ``$100,000'' for ``$50,000'', and (B) clause (ii) of such section shall be applied by substituting ``the present value of the nonforfeitable accrued benefit of the employee under the ***plan***'' for ``one- half of the present value of the nonforfeitable accrued benefit of the employee under the ***plan***''. (2) Delay of repayment.--In the case of a qualified individual with an outstanding loan on or after October 8, 2017, from a qualified employer ***plan*** (as defined in section 72(p)(4) of the Internal Revenue Code of 1986)-- (A) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) of such Code for any repayment with respect to such loan occurs during the period beginning on October 8, 2017, and ending on December 31, 2018, such due date shall be delayed for 1 year, (B) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay, and (C) in determining the 5-year period and the term of a loan under subparagraph (B) or (C) of section 72(p)(2) of such Code, the period described in subparagraph (A) shall be disregarded. (3) Qualified individual.--For purposes of this subsection, the term ``qualified individual'' means any individual whose principal place of abode on October 8, 2017, is located in the California wildfire disaster area and who has sustained an economic loss by reason of wildfires to which the declaration of such area relates. (d) Provisions Relating to ***Plan*** Amendments.-- (1) In general.--If this subsection applies to any amendment to any ***plan*** or annuity contract, such ***plan*** or contract shall be treated as being operated in accordance with the terms of the ***plan*** during the period described in paragraph (2)(B)(i). (2) Amendments to which subsection applies.-- (A) In general.--This subsection shall apply to any amendment to any ***plan*** or annuity contract which is made-- (i) pursuant to any provision of this section, or pursuant to any regulation issued by the Secretary or the Secretary of Labor under any provision of this section, and (ii) on or before the last day of the first ***plan*** year beginning on or after January 1, 2019, or such later date as the Secretary may prescribe. In the case of a governmental ***plan*** (as defined in section 414(d) of the Internal Revenue Code of 1986), clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under clause (ii). (B) Conditions.--This subsection shall not apply to any amendment unless-- (i) during the period-- (I) beginning on the date that this section or the regulation described in subparagraph (A)(i) takes effect (or in the case of a ***plan*** or contract amendment not required by this section or such regulation, the effective date specified by the ***plan***), and [[Page H10384]] (II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the ***plan*** or contract amendment is adopted), the ***plan*** or contract is operated as if such ***plan*** or contract amendment were in effect, and (ii) such ***plan*** or contract amendment applies retroactively for such period. SEC. 5003. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY CALIFORNIA WILDFIRES. (a) In General.--For purposes of section 38 of the Internal Revenue Code of 1986, in the case of an eligible employer, the California wildfire employee retention credit shall be treated as a credit listed in subsection (b) of such section. For purposes of this subsection, the California wildfire employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed $6,000. (b) Definitions.--For purposes of this section-- (1) Eligible employer.--The term ``eligible employer'' means any employer-- (A) which conducted an active trade or business on October 8, 2017, in the California wildfire disaster zone, and (B) with respect to whom the trade or business described in subparagraph (A) is inoperable on any day after October 8, 2017, and before January 1, 2018, as a result of damage sustained by reason of the wildfires to which such declaration of such area relates. (2) Eligible employee.--The term ``eligible employee'' means with respect to an eligible employer an employee whose principal place of employment on October 8, 2017, with such eligible employer was in the California wildfire disaster zone. (3) Qualified wages.--The term ``qualified wages'' means wages (as defined in section 51(c)(1) of the Internal Revenue Code of 1986, but without regard to section 3306(b)(2)(B) of such Code) paid or incurred by an eligible employer with respect to an eligible employee on any day after October 8, 2017, and before January 1, 2018, which occurs during the period-- (A) beginning on the date on which the trade or business described in paragraph (1) first became inoperable at the principal place of employment of the employee immediately before the wildfires to which the declaration of the California wildfire disaster area relates, and (B) ending on the date on which such trade or business has resumed significant operations at such principal place of employment. Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at such principal place of employment before significant operations have resumed. (c) Certain Rules To Apply.--For purposes of this section, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) of the Internal Revenue Code of 1986, shall apply. (d) Employee Not Taken Into Account More Than Once.--An employee shall not be treated as an eligible employee for purposes of this section for any period with respect to any employer if such employer is allowed a credit under section 51 of the Internal Revenue Code of 1986 with respect to such employee for such period. SEC. 5004. ADDITIONAL DISASTER-RELATED TAX RELIEF PROVISIONS. (a) Temporary Suspension of Limitations on Charitable Contributions.-- (1) In general.--Except as otherwise provided in paragraph (2), subsection (b) of section 170 of the Internal Revenue Code of 1986 shall not apply to qualified contributions and such contributions shall not be taken into account for purposes of applying subsections (b) and (d) of such section to other contributions. (2) Treatment of excess contributions.--For purposes of section 170 of the Internal Revenue Code of 1986-- (A) Individuals.--In the case of an individual-- (i) Limitation.--Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's contribution base (as defined in subparagraph (G) of section 170(b)(1) of such Code) over the amount of all other charitable contributions allowed under section 170(b)(1) of such Code. (ii) Carryover.--If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(d)(1) of such Code) exceeds the limitation of clause (i), such excess shall be added to the excess described in the portion of subparagraph (A) of such section which precedes clause (i) thereof for purposes of applying such section. (B) Corporations.--In the case of a corporation-- (i) Limitation.--Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's taxable income (as determined under paragraph (2) of section 170(b) of such Code) over the amount of all other charitable contributions allowed under such paragraph. (ii) Carryover.--Rules similar to the rules of subparagraph (A)(ii) shall apply for purposes of this subparagraph. (3) Exception to overall limitation on itemized deductions.--So much of any deduction allowed under section 170 of the Internal Revenue Code of 1986 as does not exceed the qualified contributions paid during the taxable year shall not be treated as an itemized deduction for purposes of section 68 of such Code. (4) Qualified contributions.-- (A) In general.--For purposes of this subsection, the term ``qualified contribution'' means any charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) if-- (i) such contribution-- (I) is paid during the period beginning on October 8, 2017, and ending on December 31, 2017, in cash to an organization described in section 170(b)(1)(A) of such Code, and (II) is made for relief efforts in the California wildfire disaster area, (ii) the taxpayer obtains from such organization contemporaneous written acknowledgment (within the meaning of section 170(f)(8) of such Code) that such contribution was used (or is to be used) for relief efforts described in clause (i)(II), and (iii) the taxpayer has elected the application of this subsection with respect to such contribution. (B) Exception.--Such term shall not include a contribution by a donor if the contribution is-- (i) to an organization described in section 509(a)(3) of the Internal Revenue Code of 1986, or (ii) for the establishment of a new, or maintenance of an existing, donor advised fund (as defined in section 4966(d)(2) of such Code). (C) Application of election to partnerships and s corporations.--In the case of a partnership or S corporation, the election under subparagraph (A)(iii) shall be made separately by each partner or shareholder. (b) Special Rules for Qualified Disaster-Related Personal Casualty Losses.-- (1) In general.--If an individual has a net disaster loss for any taxable year-- (A) the amount determined under section 165(h)(2)(A)(ii) of the Internal Revenue Code of 1986 shall be equal to the sum of-- (i) such net disaster loss, and (ii) so much of the excess referred to in the matter preceding clause (i) of section 165(h)(2)(A) of such Code (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual, (B) section 165(h)(1) of such Code shall be applied by substituting ``$500'' for ``$500 ($100 for taxable years beginning after December 31, 2009)'', (C) the standard deduction determined under section 63(c) of such Code shall be increased by the net disaster loss, and (D) section 56(b)(1)(E) of such Code shall not apply to so much of the standard deduction as is attributable to the increase under subparagraph (C) of this paragraph. (2) Net disaster loss.--For purposes of this subsection, the term ``net disaster loss'' means the excess of qualified disaster-related personal casualty losses over personal casualty gains (as defined in section 165(h)(3)(A) of the Internal Revenue Code of 1986). (3) Qualified disaster-related personal casualty losses.-- For purposes of this subsection, the term ``qualified disaster-related personal casualty losses'' means losses described in section 165(c)(3) of the Internal Revenue Code of 1986 which arise in the California wildfire disaster area on or after October 8, 2017, and which are attributable to the wildfires to which the declaration of such area relates. (c) Special Rule for Determining Earned Income.-- (1) In general.--In the case of a qualified individual, if the earned income of the taxpayer for the taxable year which includes the applicable date is less than the earned income of the taxpayer for the preceding taxable year, the credits allowed under sections 24(d) and 32 of the Internal Revenue Code of 1986 may, at the election of the taxpayer, be determined by substituting-- (A) such earned income for the preceding taxable year, for (B) such earned income for the taxable year which includes October 8, 2017. (2) Qualified individual.--For purposes of this subsection, the term ``qualified individual'' means any individual whose principal place of abode on October 8, 2017, was located-- (A) in the California wildfire disaster zone, or (B) in the California wildfire disaster area (but outside the California wildfire disaster zone) and such individual was displaced from such principal place of abode by reason of the wildfires to which the declaration of such area relates. (3) Earned income.--For purposes of this subsection, the term ``earned income'' has the meaning given such term under section 32(c) of the Internal Revenue Code of 1986. (4) Special rules.-- (A) Application to joint returns.--For purposes of paragraph (1), in the case of a joint return for a taxable year which includes October 8, 2017-- (i) such paragraph shall apply if either spouse is a qualified individual, and (ii) the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year. (B) Uniform application of election.--Any election made under paragraph (1) shall [[Page H10385]] apply with respect to both sections 24(d) and 32, of the Internal Revenue Code of 1986. (C) Errors treated as mathematical error.--For purposes of section 6213 of the Internal Revenue Code of 1986, an incorrect use on a return of earned income pursuant to paragraph (1) shall be treated as a mathematical or clerical error. (D) No effect on determination of gross income, etc.-- Except as otherwise provided in this subsection, the Internal Revenue Code of 1986 shall be applied without regard to any substitution under paragraph (1). TITLE II--TAX RELIEF FOR HURRICANES HARVEY, IRMA, AND MARIA SEC. 5101. TAX RELIEF FOR HURRICANES HARVEY, IRMA, AND MARIA. (a) Modification of Hurricanes Harvey and Irma Disaster Areas.--Subsections (a)(2) and (b)(2) of section 501 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 (Public Law 115-63; 131 Stat. 1173) are both amended by striking ``September 21, 2017'' and inserting ``October 17, 2017''. (b) Employee Retention Credit.--Subsections (a)(3), (b)(3), and (c)(3) of section 503 of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 (Public Law 115-63; 131 Stat. 1181) are each amended by striking ``sections 51(i)(1) and 52'' and inserting ``sections 51(i)(1), 52, and 280C(a)''. (c) Effective Date.--The amendments made by this section shall take effect as if included in the provisions of title V of the Disaster Tax Relief and Airport and Airway Extension Act of 2017 to which such amendments relate. TITLE III--BUDGETARY EFFECTS SEC. 5201. EMERGENCY DESIGNATION. This division is designated as an emergency requirement pursuant to section 4(g) of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C 933(g)). SEC. 5202. DESIGNATION IN SENATE. In the Senate, this division is designated as an emergency requirement pursuant to section 403(a) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010. The SPEAKER pro tempore. The bill, as amended, shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Appropriations. The gentleman from New Jersey (Mr. Frelinghuysen) and the gentlewoman from New York (Mrs. Lowey) each will control 30 minutes. The Chair recognizes the gentleman from New Jersey. Mr. FRELINGHUYSEN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I rise today to present H.R 4667, a bill making emergency appropriations for hurricane and wildfire recovery. Parts of our Nation have been devastated by multiple back-to-back hurricanes and wildfires that have caused tremendous loss of life, livelihoods, and property. Hurricanes Harvey, Irma, and Maria are three of the top five most expensive hurricanes in the last 25 years. Combined with the horrific wildfires that continue to rage in California, the toll that these disasters have taken is unprecedented. We must stand by our fellow Americans to get them the help and resources they need to recover. To this end, this legislation provides a total of $81 billion for crucial Federal ***programs*** that support ongoing relief, recovery, and rebuilding. This includes $27.5 billion for FEMA to provide relief and recovery assistance; $26.1 billion for Community Development Block Grants for shelter and housing and infrastructure improvements, and the means to help large and small businesses recover; and $12.1 billion for the Army Corps of Engineers to repair and rebuild infrastructure projects that help protect against future disasters, building in resiliency. The bill also includes $3.8 billion for the Department of ***Agriculture***, which will support critical ***agriculture*** disaster assistance for massive crop and livestock loss. Funding is also included to repair Federal highways and local transit systems, to help children displaced by the storms of Puerto Rico get back to school, and for small business disaster loans, which will allow businesses to reopen their doors as quickly as possible. Our Committee on Appropriations will continue to monitor these recovery efforts to ensure accountability, transparency, and that every dollar is spent wisely. From Florida and Texas, to Puerto Rico and the U.S Virgin Islands, to California, and all areas dealing with major disaster declarations, this Congress is committed to helping you. Congress has already provided $51.75 billion in two separate supplemental bills for these ongoing efforts. With this third tranche of emergency funding, it will bring the total funding for fiscal year 2018 emergency response to $132 billion. This funding is desperately needed by thousands of American families, individuals, and communities to rebuild their homes and businesses, restore electric power and critical infrastructure, and to protect against further damage. It is the duty of Congress to provide this help to our fellow Americans in their times of need. Mr. Speaker, before I close, I would like to thank everyone who came to leadership and to the Appropriations Committee to make sure that Congress is getting the assistance to those hurricane and wildfire victims that they urgently need. I would also like to thank the clerks and professional staff and the chairs of the 12 Appropriations Subcommittees for their working tirelessly to bring this bill to the floor and, may I say, nearly 30 others this year. It is time to get this emergency aid to those who need it. I urge my colleagues to support this bill and this legislation. Mr. Speaker, I reserve the balance of my time. Mrs. LOWEY. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, this legislation is a failure of both process and substance. When Congress received the paltry and insufficient disaster request from the administration, the House and Senate Appropriations Committees began a bipartisan and bicameral process to develop an emergency assistance package that would come closer to meeting the massive scale of need resulting from hurricanes and wildfires in the summer and fall 2017. I sincerely regret that the majority leadership abandoned that process, choosing, instead, to disregard input from Democrats and even from Senate Republicans, and developed their own partisan supplemental. The results of that decision is a poor product that will not be enacted into law. Despite some robust funding levels, this bill fails to fix a potentially calamitous Medicaid system situation for Puerto Rico and the U.S Virgin Islands. Without help from Congress, these ***programs*** will exhaust available funding within months. This bill also fails to waive unworkable and unjustifiable cost share requirements for FEMA and the Army Corps of Engineers' projects, which could put Federal funding out of reach. These and other serious shortcomings must be fixed before an emergency supplemental is enacted into law. Even if this supplemental passes today, the House majority's decision to exclude both Democrats and Senate Republicans from this process means that it will not be enacted this year because it cannot pass the Senate. Instead of the partisan product with no chance of advancement, we should be considering a responsible bipartisan emergency supplemental that both the House and the Senate could pass and enact into law. Mr. Speaker, I reserve the balance of my time. Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. Culberson), the chairman of the Commerce, Justice, and Science, and Related Agencies Subcommittee. Mr. CULBERSON. Mr. Speaker, I thank Chairman Frelinghuysen and Speaker Ryan for rejecting the Office of Management and Budget's completely inadequate funding request that they sent to Congress. It is the job of the Appropriations Committee and Congress to write these emergency spending bills, and we have done so. I am one of eight subcommittee chairmen who held public hearings at the request of the chairman. I want to thank Chairman Frelinghuysen for listening to all of us to change the legislation to ensure that the State of Texas, Florida, and Puerto Rico are a long way towards being made whole. This is a tremendous step in the right direction. We are grateful for the funding that is contained here. We are also grateful for a lot of the changes that the chairman and the committee have included. For example, we have got $12 billion here for the Army Corps of Engineers' projects that is going to be prioritized [[Page H10386]] and targeted to areas that have suffered repeated floods over the last 2 years, to areas that have been declared disasters by the President. That will help ensure that the people of Texas, in particular, who had 53 inches of rain over an area the size of New Jersey, the people of Texas and southwest Louisiana who suffered from Hurricane Harvey, those projects will receive priority consideration by the Army Corps of Engineers. That is going to help us get that third reservoir built in northwest Harris County. This funding is also sufficient to fully pay for all federally authorized flood control projects in southeast Texas. That means we will have front-loaded funding for a critical project to finish out Brays Bayou, to build it to the 100-year flood protection standard. The Army Corps of Engineers' funding is also going to allow us to dredge the Port of Houston, the Port of Beaumont, and open up those ports to full capacity. Another important change that the chairman included at my request, and I am very pleased it is in there, is that we had a lot of people flooded because the Army Corps of Engineers opened the floodgates necessarily on Addicks and Barker. These folks were flooded by the action of the government in the Neches River Waterway and the Sabine Waterway and on the San Jacinto River. Chairman Frelinghuysen included language that allows the Governor of the State of Texas to ask for a waiver of the prohibition against duplication of benefits. The SPEAKER pro tempore. The time of the gentleman has expired. Mr. FRELINGHUYSEN. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Texas. Mr. CULBERSON. Mr. Speaker, it is important for the people of Texas to know that help is on the way to not only repair the damage caused by the flood, but if they were flooded by the action of the government, there is a provision in this legislation today that will allow the Governor to request that they be compensated, that they can take out an SBA loan at the front and they will pay the government back, and then receive a Community Development Block Grant at the end to help make them whole. Mr. Speaker, we will also be able to rebuild churches and synagogues. That is vitally important because we suffered so much damage in southeast Texas. I am proud to support this legislation, and I look forward to working with the chairman and my colleagues as we go forward, if there is additional funding needed. I am very grateful for the support of Congress. I urge Members to support this vital legislation to help the people of southeast Texas, Florida, and Puerto Rico have a better Christmas. Mrs. LOWEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Serrano), the ranking member of the Commerce, Justice, Science, and Related Agencies Subcommittee. (Mr. SERRANO asked and was given permission to revise and extend his remarks.) Mr. SERRANO. Mr. Speaker, I thank the gentlewoman for the time. I rise to sadly oppose this disaster supplemental, which does not do enough to help Puerto Rico and the U.S Virgin Islands. This is a bill created by Republicans with little Democratic input. At some point, they decided that rather than working in a bipartisan manner, they wanted to try and address these disasters without taking into account some of the most important Democratic priorities. In particular, it does not address many issues crucial to Puerto Rico's recovery in the wake of Hurricanes Irma and Maria. For instance, it does nothing to address the looming Medicaid cliff, which will devastate health kits access and delivery on the island early next year. It does not waive numerous local cost share requirements, which will make it extremely difficult for the government of Puerto Rico to access large parts of the Federal funding made available here. It does not do enough to help States like New York and New Jersey and others that have generously opened their arms to our fellow citizens displaced by these storms. {time} 1500 It expands the powers of the Puerto Rico Fiscal Oversight Board, giving them authority to approve the recovery ***plans*** of Puerto Rico's government. The end result of all of this is further delay in Puerto Rico's recovery. This is not the message that we want to send to 3.4 million American citizens this holiday season. As I look at my notes and as I look at what this debate may become today, it really comes down to one point: we as Americans, we as the United States Congress, we as the U.S Government still have not come to grips with the fact that, yes, we have territories, that, yes, we have colonies. If you ask the American people, ``Are the people of Puerto Rico American citizens?'' you would be shocked before all this information went out on the hurricanes how many would say: ``I don't know. I served with some in the Army, but I don't know if they are citizens.'' Well, I think, more and more, we need to know that the Virgin Islands, Guam, American Samoa, the Northern Marianna Islands, and Puerto Rico are part of the American family. It is not as a long gone member of my party once told me when I said: What are we going to do about Puerto Rico in this bill? He said: Well, we have no money left over. I said: Did you have money left over for the 50 States? He said: Well, they go first. I said: Why do they go first? Why can't the whole family go together? So my plea that I have made for years, I continue to make. There is a bigger issue than the one we are discussing today, and that is the fact that we have territories. We have colonies. They are part of the United States. They should be part of our family. We should treat them as such. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Carter), the chairman of the Homeland Security Subcommittee on Appropriations. Mr. CARTER of Texas. Mr. Speaker, I thank the gentleman for yielding. I recently flew in a C-130 with a gathering of my colleagues and members of the Senate the length and breadth of Florida, across the Gulf of Mexico, and up and down the Gulf Coast of my home State of Texas and looked at the devastation that, in 1 day, on about a 12-hour flight, we could see all the devastation that took place from these terrible storms. That is why this supplemental is so very important, because this is not about numbers, this is not about anything; it is about people, human beings. We helped people move their ruined furniture out of their houses when we were on that trip. We saw the devastation. We saw the tears and the pain that these people were dealing with. As chairman of the Homeland Security Subcommittee on Appropriations, I am proud to have had a small part in working on this project. Let me explain that the supplement provides $28.6 billion for the Department of Homeland Security; $27.5 billion is for the Disaster Relief Fund to provide for the continued response and recovery efforts for all recent disasters. These funds will provide for the recovery efforts of all disasters that have received a major disaster declaration, to include, Texas, Florida, California, Puerto Rico, and the U.S Virgin Islands. This money is needed to ensure food, water, and temporary shelter is made available to disaster survivors. These funds are used for debris removal efforts, the first step in recovery. These funds will also support the long-term recovery efforts to help rebuild utilities, bridges, roads, and buildings. $4 billion of this can be used for community disaster loans to help communities pay for essential services while they get back on their feet. The SPEAKER pro tempore. The time of the gentleman has expired. Mr. FRELINGHUYSEN. Mr. Speaker, I yield an additional 30 seconds to the gentleman. Mr. CARTER of Texas. Mr. Speaker, I thank the gentleman for yielding. The bill also includes $1.1 billion to address the damages to important Coast Guard, Customs and Border Protection, and Transportation Security Administration facilities. The supplement provides $4.4 billion more than requested, but we looked at [[Page H10387]] each project to ensure that funding was only going to projects that address damages, improve resiliency, and increase disaster responses. Mr. Speaker, I thank Chairman Frelinghuysen for his leadership. He has been right on top of this, and we have got a good product here. Mr. Speaker, I urge a ``yes'' vote on the supplemental. Mrs. LOWEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. Crowley), the chair of the Democratic Caucus. Mr. CROWLEY. Mr. Speaker, I thank the gentlewoman from New York for yielding me this time, and I thank her for her work. I thank Mr. Frelinghuysen, as well, for his work and my colleagues on the other side, but I have reservations, strong reservations about this bill. I appreciate the very real needs of those still recovering, our American citizens and friends and family in Florida and Texas, and that concern is genuine. I have always supported aid to other parts of the country, even when some of my colleagues on the other side of the aisle refused to help New York and left New York hanging after Superstorm Sandy. I have never let that get in the way of my wanting to be helpful to my fellow citizens anywhere in this country who are under duress. But I can't, in good conscience, vote for this bill. It leaves some of the hardest hit and most vulnerable Americans, American citizens, without the help that they need. It treats Puerto Rico and the Virgin Islands as second-class citizens--not second-class people, but second- class, literally, citizens--and will stall the efforts there to rebuild. I appreciate Mr. Culberson saying that the people of Puerto Rico and the Virgin Islands are a long way from recovery. I am paraphrasing what he said. I do appreciate those words. I do hope that it is an insight for my Republican colleagues and the leadership on the other side of the aisle that more help will be on the way for the people of Puerto Rico, but simply not enough is being done in this bill to help the men and women of Puerto Rico and the children of Puerto Rico today. Our fellow citizens of Puerto Rico and the Virgin Islands are no less American than those in any of the 50 States. I wonder if anyone would argue that point as to whether they are citizens of the United States or not. I would argue they are no less citizens of the United States than any other individuals in the rest of the 50 States, and they should be treated the same and with the same respect. The people of Puerto Rico and the Virgin Islands suffered direct hits not from one, but from two massive hurricanes, the likes of which we have never seen before, not in our modern history. Maybe you have to go back to Alexander Hamilton and the hurricane that he wrote about back in the 1700s that rocketed him to stardom. Here we are 3 months later. Millions--not hundreds, not thousands, but millions--of our fellow citizens in Puerto Rico and in the Virgin Islands are without power. Far too many still, because they are without power, lack clean drinking water. Thousands are unable to receive adequate healthcare, and earlier this week, the Governor of Puerto Rico ordered a recount of the storm's death toll, which could number, now, into the thousands. If that is not a sign of how neglectful the response has been to this disaster, then I don't know what would be. The SPEAKER pro tempore (Mr. Smith of Nebraska). The time of the gentleman has expired. Mrs. LOWEY. Mr. Speaker, I yield 1 additional minute to the gentleman from New York. Mr. CROWLEY. Mr. Speaker, I thank the gentlewoman for yielding. We must provide the assistance that our territories need. We must fully fund Medicaid as the islands recover. We must eliminate disparities in the law that are holding back that recovery. We must stand up for not the people of the Virgin Islands, not the people of Puerto Rico, but the United States citizens who have fought in our wars, who have defended our freedoms, for the United States citizens of the Virgin Islands and the United States citizens of Puerto Rico. They deserve no less than how any other State is being treated after a disaster like this. They deserve no less. They deserve more than they are getting in this bill. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Calvert), chairman of the Interior, Environment, and Related Agencies Subcommittee on Appropriations. Mr. CALVERT. Mr. Speaker, I thank Chairman Frelinghuysen for yielding. Mr. Speaker, I rise today in strong support of H.R 4667, which provides $81 billion in Federal disaster assistance to States and territories recently devastated by natural disasters. This is not a small amount of money. First, as chairman of the Interior, Environment, and Related Agencies Subcommittee on Appropriations, I am pleased to include $616.4 million for repairs, cleanup, and recovery at various agencies, including the U.S Fish and Wildlife Service, the Environmental Protection Agency, the National Park Service, and others. As chairman of the California Republican delegation, I have a particular interest in wildfire assistance in this bill. The coordination and collaboration between Republicans and Democrats on this bill to reflect the needs of California shows bipartisanship is alive and well. Mr. Speaker, I would certainly like to thank Congressman Mike Thompson for his tireless efforts in regard to the fires in northern California. Last month, I toured Santa Rosa, California, which was absolutely decimated after a wildfire tore through the area. Forty people lost their lives, and more than 14,000 homes were destroyed or damaged. As a lifelong California resident, I have seen a lot of fires and the resulting devastation, but I have never witnessed anything like I saw in Santa Rosa. The stories of survival and heroics of our first responders truly are incredible. Now, in the aftermath, we must come together to recover and rebuild. This bill is the first step towards recovery and provides $27.5 billion for the Disaster Relief Fund, a $4.5 billion increase from the request, a 90 percent Federal cost share for wildfire disasters; and $541 million for watershed and flood prevention efforts, which will be vital as the rainy season begins in California. California will be eligible for nearly all the various sources of disaster funding in this bill, including for crop losses, Army Corps of Engineers projects, Federal highway damages, small business assistance, displaced employees, and student assistance, among others. With my colleagues, I will continue to monitor the fire situation and respond as needed. The Thomas Fire in Ventura County has burned over 272,000 acres, on track to be the largest wildfire in California history; and, unfortunately, the fire rages on. Mr. Speaker, I especially want to thank Chairman Frelinghuysen and the Appropriations Committee staff for their outreach and responsiveness to the fires in California. We greatly appreciate their assistance and ongoing support. Mr. Speaker, I would be remiss if I didn't thank all my staff and the Interior Subcommittee, but in particular, my chief of staff, Dave Kennett, and on the Interior Subcommittee, Betsy Bina, both of whom went above and beyond to deliver results for California. On a quick note, best wishes for Betsy, who is getting married today. Mr. Speaker, I urge passage of this emergency supplemental funding bill. Mrs. LOWEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. Jackson Lee). Ms. JACKSON LEE. Mr. Speaker, I want to thank the gentlewoman from New York; I want to thank the chairman; but I do want to take a moment and particularly thank the gentlewoman from New York for the kindness that she showed the first victims of this horrific hurricane season. I remember coming back to Congress in the immediacy of Hurricane Harvey. Many don't know, but I left my home in a firetruck--not out of desperation, but to go where my constituents were--and spent the rest of the time with 14,000 homeless evacuees in a shelter that had been set up immediately with concern about the city of Houston. We had meetings starting at 6 a.m In the evening, as the waters started moving in different communities and different communities became flooded, we [[Page H10388]] could see evacuees carrying their only belongings--pillows, just a paper bag--flooding into the George R. Brown Convention Center. This is serious for me. I remember seeing elderly persons being evacuated after the Addicks Reservoir, Barker Reservoir was released and family members standing on what was now the shore waiting for those loved ones. I know the family and went to the funerals of the six family members who died in Greens Bayou in my congressional district. I introduced a bill, H.R 3686, which the gentlewoman from New York was quite interested in. It was for $174 billion. If we had that amount now, I would be more than happy to share that with Puerto Rico and the Virgin Islands. We don't have that. And I am extremely disappointed that we have $81 billion, not because of the lack of the hard work of those who worked on the Appropriations Committee, because I know they wanted to do more, but there were other distractions--like a $1.4 trillion tax cut. {time} 1515 The SPEAKER pro tempore. The time of the gentlewoman has expired. Mrs. LOWEY. I yield the gentlewoman from Texas an additional 1 minute. Ms. JACKSON LEE. I want to thank my Texas colleagues. We worked together, and I truly appreciate that and will thank them for it. Today, I indicated that I have constituents who are down testifying in Houston about their devastation, so I want to make this point. First of all, I fought very hard for a $1 billion grant ***program*** for small businesses. I want to tell my constituents it is in, and I want to tell the State of Texas they have to put that in their application that they want to give small businesses grants and not loans. There is $12 billion in CDBG ***programs***. I want to make sure that the State works with us to ensure that the elderly, the people who have no resources, families that have no resources have their homes rebuilt or they have their homes fixed. I want to make sure that the watershed study comes under section title IV, that the Army Corps is listening, that the watershed ***program*** that I have passed in two sessions to study the bayous, as to why Greens Bayou and Buffalo Bayou and White Oak Bayou and Halls Bayou flood, and why people lose their lives. I want that watershed done, and the Army Corps of Engineers, I hope, will listen. There is a lot of work left to be done. We have got to get more money. And I am glad that Puerto Rico and the U.S Virgin Islands are in, but you can count on me, Texas, and count on me, Puerto Rico and the U.S Virgin Islands and Florida. We will fight into the new year to ensure that we get more funding. But these items have to be considered. We fought hard for them. Mr. Speaker, I rise to speak on H.R 4667, ``Making Further Supplemental Appropriations for Fiscal Year 2017.'' H.R 4667, provides $81 billion in aid to respond to the damage caused by Hurricanes Irma and Maria, and the wildfires in California. I thank the Speaker and Rules Committee Chairman Sessions for acting favorably upon my request to bring this emergency disaster supplemental to the floor for debate and vote as a stand-alone measure. But the fact remains that the amount of funding provided in the disaster relief package is very disappointing because it is not nearly sufficient to ameliorate the suffering still being experienced by the people of the communities in the areas affected by Hurricanes Harvey, Irma, and Maria. Congress has had more than three months to develop an aid package that it is commensurate to the challenge faced by the affected states and territories in rebuilding their devastated communities. Much of this time has been squandered by the Republican congressional leadership all-consuming focus on ramming through the Republican Tax Scam legislation that gives 83 percent of its benefits to the top 1 percent, raises taxes on working and middle-class families, takes away health insurance from 13 million Americans, explodes the deficit by $1.5 trillion and the national debt by $1.7 trillion, and will be paid for by 5.4 trillion in cuts to vital ***programs*** Americans depend on, including an imminent $25 billion reduction in Medicare funding. Mr. Speaker, on September 6, 2017, ten days after Hurricane Harvey struck and joined by 44 of our colleagues, I introduced H.R 3686, the ``Hurricane Harvey Supplemental Appropriations Act of 2017,'' which provides $174 billion in disaster relief for the areas affected by Hurricane Harvey, the worst superstorm ever to strike the mainland United States. The $174 billion in funding provided by H.R 3686 represents a comprehensive response commensurate to the challenge; specifically my legislation provides relief in the following amounts: 1. Housing and Community Development Fund: $50 billion 2. FEMA Disaster Relief Fund: $35 billion 3. Army Corps of Engineers--Construction: $15 billion 4. Flood Control and Coastal Emergencies: $13 billion 5. Public Transportation Emergency Relief ***Program***: $33 billion 6. Small Business Disaster Loans ***Program***: $2 billion 7. Emergency Conservation Activities: $650 million 8. National Oceanic and Atmospheric Administration: $321 million 9. National Aeronautics and Space Administration: $50 million 10. Legal Services Corporation: $10 million 11. Army National Guard: $10 million 12. Army Corps of Engineers--Civil Investigations: $150 million 13. Coast Guard: $450 million 14. National Park Service Historic Preservation Fund: $800 million 15. EPA Environmental ***Programs*** and Management: $2.5 billion 16. EPA Hazardous Substance Superfund: $7 million 17. Leaking Underground Storage Tank Fund: $15 million 18. State and Tribal Assistance Grants: $600 million 19. Employment and Training Services: $100 million 20. Public Health and Social Services Emergency Fund: $2.5 billion 21. Airport and Airway Trust Fund: $90 million 22. Federal-Aid Highways Emergency Relief ***Program***: $6.5 billion And that is just for Texas and the areas affected by Hurricane Harvey; the damage wrought by Hurricane Irma in Florida, and Hurricane Maria in Puerto Rico and the U.S Virgin Islands was nearly as great in dollar terms and equal in the level of misery and suffering inflicted on the residents. Mr. Speaker, on September 20, 2017, Hurricane Maria made landfall in Puerto Rico, along the southeastern coast, near the small town of Yabucoa. The devastation wrought on that beautiful Caribbean oasis and its 3.5 million inhabitants, our fellow citizens of the United States, is unimaginable, except perhaps to those of us who have lived through and survived similar natural disasters, like Hurricanes Harvey and Katrina. At least 48 people have died as a result of the storm as rescue and recovery operations proceed, a number likely to rise, especially with so many elderly, sick, and very young persons at risk. Much of Puerto Rico's population is still without potable drinking water and large swaths of the population still lack electrical power. Hurricane Maria destroyed 80 percent of Puerto Rico's ***agricultural*** industry, including banana, plantain and coffee crops, which translates into lost income of approximately $780 million. On August 30, 2017, Hurricane Irma struck, inflicting horrific damage on the U.S Virgin Islands of St. Thomas, St. Croix, and St. John, the Caribbean nations of Barbuda, St. Maarten, Cuba, and Anguilla, before making landfall in the Florida Keys. In Florida alone, 6.4 million people told to evacuate to safety, leading to days of jammed highways and frantic searches for gasoline amid one of the nation's largest ever emergency evacuations. At least 124 persons are known to have lost their lives in Hurricane Irma, more than 200,000 Floridians took refuge in shelters, and nearly 6.5 million homes and businesses were without power. Mr. Speaker, we do not yet know the full extent of the damage and devastation suffered by our fellows Americans in Florida, the U.S Virgin Islands, and Puerto Rico in the wake of Hurricanes Irma and Maria. But what we do know is that the costs of recovery and reconstruction will be extensive, best estimates place the cost in the range of $50- $100 billion. This puts in perspective the inadequacy of the amount of disaster relief provided under H.R 4667 and why more, much more, must be done. Mr. Speaker, right now, at this very moment, approximately 300,000 Texans--in Port Arthur, in Port Aransas, in Houston and Harris County-- remain homeless or are living in substandard homes with blue tarp roofs and infected with mold. [[Page H10389]] Today, residents of the Cashmere Gardens community are meeting with local government officials to highlight their plight and those of other residents in the northeastern part of Houston. They are angry and frustrated and anxious, and who can blame them? Mr. Speaker, this is personal to them; and it is personal to me. That is why right now my highest priority is to ensure that funding that has been made available expeditiously gets in the hands of local governments so that relief can be deliver the resources and services so desperately needed. And I will be working with the Texas General Land Office and HUD Secretary Carson to relieve the emergency housing crisis in my congressional district and state. Mr. Speaker, I wish to commend the bipartisan leadership of both chambers, and my colleagues in the Texas congressional delegation for their diligence and commitment in bringing this package to the floor for debate and vote. I thank Chairman Frelinghuysen and Ranking Member Lowey, and Speaker Ryan and Democratic Leader Pelosi, and their Senate counterparts for the work that has been done thus far and for their assistance in the work that lies ahead. I also thank Chairman Frelinghuysen and Ranking Member Lowey, and T- HUD Appropriations Subcommittee Chairman Diaz-Balart, and Energy and Water Appropriations Subcommittee Chair Simpson and Ranking Member Kaptur for including in the legislation before us the following beneficial measures that I requested, including: 1. Authority to establish an implement a $1 billion pilot ***program*** to provides small business disaster recovery grants, modeled on H.R 3930, the ``Hurricane Harvey Small Business Recovery Grants Act,'' legislation I introduced on October 3, 2017 and co-sponsored by 16 of our colleagues. 2. $75 million for the U.S Army Corps of Engineers' Investigations account, which is to be used in areas affected by Hurricanes Harvey, Irma, and Maria, and can be used to finance the $3 million Houston-Area Watershed Assessment Study I have worked to secure and previously approved by the House. 3. The bill also includes helpful legislative language to ensure that in awarding CDBG-Disaster Relief funds to states, the Secretary of HUD should to the maximum extent practicable award grants to units of local government and public housing authorities that have the financial and administrative capacity to manage a grant awarded under the ***program***. Let me describe briefly some of the major provisions contained in the Disaster Relief Supplemental: 1. FEMA Disaster Relief Fund: $27.5 billion to provide critical funding to assist the ongoing federal disaster response. allows up to $4 billion to be provided for Community Disaster Loans (CDLs). 2. Community Development Block Grants Disaster Recovery (CDBG-DR): $26.1 billion for housing and infrastructure needs. $13.56 billion for grants to states, tribes, and territories for unmet housing needs and business losses. 3. $12.5 billion for mitigation efforts to help communities protect against future disasters. 4. This funding can provide for housing elevation, buyouts in the flood plain, water/sewer infrastructure enhancements, public infrastructure hardening (e.g storm proofing public buildings). 5. Federal Highway Administration's Emergency Relief: $1.4 billion to address all current damages to federal highways caused by designated disasters 6. $12.11 billion for the Army Corps of Engineers to repair existing damages by natural disasters and for studies and projects to reduce the risk of future natural disasters, $75 million to expedite studies to help mitigate future disaster damage. 7. 2.9 billion to help displaced students get back to school. funding can be used for both public and private schools 8. $3.8 billion for ***agriculture*** assistance. 9. $1.66 billion for Small Business Administration Disaster Loans to assist small businesses and homeowners repair or replace real estate, personal property, machinery and equipment, and inventory and business assets. Mr. Speaker, there is much more work to be done in my city of Houston, and across the areas affected by the terrible, awesome storm that will be forever known simply as Hurricane Harvey, and by Hurricanes Irma and Maria. That is why I am disappointed that only $81 billion is being provided at this time. That is why it must be emphasized and understood that this can only be understood as a partial response because much more funding will be needed to provide our fellow Americans in Texas, Florida, Louisiana, Puerto Rico, and the U.S Virgin Islands the help and support they need to restore their communities to their previous greatness. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. Diaz-Balart), the chairman of the Transportation, Housing and Urban Development, and Related Agencies Subcommittee. Mr. DIAZ-BALART. Mr. Speaker, let me first thank the chairman of the committee for his spectacular work on this bill. Look, this bill provides much-needed relief and resources to Texas, Florida, the U.S Virgin Islands, California, and Puerto Rico. I have heard a lot in this debate, but let's be very clear. This bill treats Florida, the folks in Florida, Texas, Puerto Rico, the U.S Virgin Islands, and California exactly the same--exactly the same. Significant portions, Mr. Speaker, of my district were hit hard by Hurricane Irma. Communities are still working to get back on their feet, communities like Everglades City, Chokoloskee, Plantation Island, Immokalee, and Montura Ranch. This bill helps meet our Federal obligation to ensure the full, appropriate Federal commitment is there for long-term recovery. Mr. Speaker, for highways, this bill funds repairs for the 2017 storms and clears the backlog of prior years. On the housing side, this bill provides $26.1 billion for Community Development Block Grants. Of that, $13.6 billion is provided to meet all remaining unmet housing, business, and infrastructure needs for those hurricanes, and, yes, that includes the Virgin Islands and Puerto Rico. The remaining $12.5 billion is provided for mitigation grants, again, also to Puerto Rico and the Virgin Islands and Florida and California and Texas. All of those are treated exactly the same. So, again, these grants provide resources to our communities so that they can rebuild. Additionally, I am pleased that $3.8 billion is allocated for the Department of ***Agriculture***. This will go a long way to help those affected, those farmers, like the ag industry and the citrus industry in the State of Florida. So, again, I strongly urge a ``yes'' vote on this important supplemental. I once again want to thank the chairman, Chairman Frelinghuysen, for his leadership, for his courage, for bringing forward a good bill that helps the folks in our country and that treats everybody equally, equitably, and fairly. Mrs. LOWEY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Thompson). Mr. THOMPSON of California. Mr. Speaker, this year has been the worst fire season in California history. The October fires included 21 major fires that were fought by over 11,000 firefighters. They were driven by powerful winds that reached speeds of over 80 miles an hour, and these fires moved, at times, as fast as 200 feet per second. That is 40 football fields in a minute. They burned nearly 300,000 acres. They forced over 100,000 people to evacuate their homes, and they destroyed over 9,000 homes and structures. And, most tragically, 44 people lost their lives. Our communities have been devastated, Mr. Speaker, but they have also come together and supported each other in inspiring ways, and now they begin the very long road to recovery. I am pleased to see this supplemental funding package will deliver much-needed funds for fire recovery. I want to specifically thank Congressmen Calvert, McCarthy, and Pelosi, who came out and saw this devastation and have been working with us to make sure we get the funds that we need. I want to thank the appropriators and the appropriations staff for all their help as well. With the support of the entire California House delegation, the State of California has requested $4.4 billion for fire-related disaster relief. These funds will be vital to helping families rebuild their homes and their lives and to supporting our community as they rebuild critical infrastructure and restore essential services. It is critical that the Federal Government steps up and does its part to support our long-term recovery. This funding package is an important first step in that effort. I have a picture of one of the devastated areas. This is over 3,000 homes in one swath that were just burned to the ground. Folks in California who experienced this terrible disaster need our help. [[Page H10390]] I ask for an ``aye'' vote. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. Shuster), the chairman of the Transportation and Infrastructure Committee. Mr. SHUSTER. Mr. Speaker, I thank the chairman for yielding, and I thank the chairman and the Appropriations Committee for bringing forward this extremely important legislation, which includes important FEMA reforms which were approved unanimously by the Transportation and Infrastructure Committee partially in response to this year's historic hurricane season. The bipartisan, bicameral Disaster Recovery Reform Act addresses the rising costs of disasters in the United States. It reforms Federal disaster ***programs*** to ensure our communities are more resilient and better prepared for the next hurricane, flood, earthquake, wildfire, or other disaster. It focuses on predisaster ***planning*** and mitigation and creates incentives for communities to build better and smarter to speed recovery when disaster does strike. This will save lives, and it will also save money. Putting our focus on mitigation is good government and is fiscally responsible. For every dollar we spend on mitigation, between $4 and $8 is saved in avoided disaster recovery costs later. This is good policy that will benefit every single congressional district across the country. I want to thank many Members who contributed, but especially to my Democratic colleagues who contributed to this effort: Congressmen Johnson, DeFazio, Huffman, Wilson, Maloney, Ruiz, Sinema, Frankel, and Nadler. And again, many, many others contributed to this important reform legislation. Many Americans are still recovering from hurricane damage, and California is in the middle of fighting massive wildfires. This is extremely important legislation. I would urge all my colleagues to support it. Mrs. LOWEY. Mr. Speaker, I reserve the balance of my time. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. Graves), the chairman of the Water Resources and Environment Subcommittee of the Committee on Transportation and Infrastructure. Mr. GRAVES of Louisiana. Mr. Speaker, I thank the chairman for working with us on this and for yielding time. I also want to thank the chairman of the Transportation and Infrastructure Committee and the ranking member for all their assistance. Mr. Speaker, this bill doesn't just include money, which, of course, is very, very important. It also includes language and changes that I would consider to be priceless. It includes things like applying lessons learned, reducing disaster response costs, and, importantly, speeding up recovery--things outside Washington called common sense and applying it to how we handle disasters. It pivots from being reactive and spending billions of dollars after disasters to being proactive. You can look back since 1980. We have had well over 200 disasters in this Nation that have cost over $1 billion each. In fact, when you add it all up, we are looking at approximately $1.3 trillion in disaster costs in this Nation. As the chairman of the Transportation and Infrastructure Committee said, this bill includes text from H.R 4460 and H.R 4438 that transforms this process: instead of just coming in and picking up the pieces after a disaster, actually leaning forward and making sure our communities are more resilient, making sure they are prepared for disasters, making sure they are prepared for the future. This bill includes very important provisions to the State of Louisiana that address this duplication of benefits issue, some nonsensical policy that someone came up with that a loan is duplicative of a grant. It eliminates these barriers that prevent us from spending hazard mitigation grant ***programs*** on federally authorized Corps of Engineer projects to prevent flooding and prevent hurricane damage to our communities. It applies common sense. It ensures that deficiencies like the I-12 barrier in Louisiana are addressed. It provides funding to respond to the 2016, 1,000-year flood that we had in the capital region in Louisiana. It provides flexibility for these STEP ***program*** housing ***program***-type concepts that ensure that we are not wasting money that is only ripped out later on, but it truly provides long-term solutions. Finally, Mr. Speaker, it addresses inefficiency in food banks and churches and others, and it makes them eligible. I urge adoption of this bill. Mrs. LOWEY. Mr. Speaker, I continue to reserve the balance of my time. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. Barletta). Mr. BARLETTA. Mr. Speaker, I rise today in support of H.R 4667, which includes provisions of my bill, the Disaster Recovery Reform Act. In 2017, 8 percent of the United States population was affected by at least one disaster. This startling statistic highlights the importance of investing in mitigation infrastructure before tragedy strikes. Studies have repeatedly shown that, for every $1 invested up front, we can save between $4 and $8 in avoided recovery costs. My bill would allow us to realize those savings by transforming how we approach disaster spending. It would provide FEMA with the ***programs***, authorities, and resources to help our communities ***plan*** for, mitigate against, respond to, and recover from disasters. Every one of our districts, Republicans and Democrats alike, will be impacted by disaster at some point. In 2011, my own district was devastated by flooding from Hurricane Irene and Tropical Storm Lee. People lost everything, and homes and businesses were completely wiped out. I visited with families and employers affected by this tragedy, and it made me realize that we need to do something to help communities build better and smarter before disaster strikes. My bill, the Disaster Recovery Reform Act, will do just that. It will save lives, lessen damage, and speed up recovery. I thank Chairman Shuster and my colleagues on the Transportation and Infrastructure Committee and the Senate for their work on this bipartisan and bicameral agreement. Again, I urge swift passage of H.R 4667. Mrs. LOWEY. Mr. Speaker, I continue to reserve the balance of my time. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Rodney Davis). Mr. RODNEY DAVIS of Illinois. Mr. Speaker, my congratulations go out to Chairman Frelinghuysen and to Chairman Shuster for putting these FEMA reforms into law that were long overdue. I thank the gentlemen for their support. I rise in support of H.R 4667, the critical disaster assistance legislation to help those affected by Hurricanes Harvey, Irma, and Maria this year. I have said on the floor of this House numerous times that I believe it is important for Congress to come together when disaster strikes to help those impacted. Helping our fellow Americans after a disaster is the right thing to do. And, don't forget, you never know when a disaster may hit your State. That is why I am thankful to Chairman Frelinghuysen and Chairman Shuster for including language important to my home State of Illinois in this bill. My bill, the Disaster Declaration Improvement Act, requires FEMA to place greater weight and consideration on the severe, localized impact of the damage following a disaster. {time} 1530 I want to thank my colleague, Congresswoman Cheri Bustos, for working with me on this bipartisan bill. FEMA currently takes into account several factors when determining the need for public and individual assistance. However, there is no standard to determine which factor is more important than another, which leads to a highly subjective process, and one that has left rural counties in very populated States, like Illinois, left without help from the Federal Government. It is because one major factor used by FEMA is a State's population. Currently, FEMA multiplies a State's population by $1.39 to use it for the threshold to determine need, meaning, for Illinois to receive assistance, damages would have to be $18 million or more. As you can see by this chart, that is more than or nearly double that of all [[Page H10391]] of our neighboring States. There have been multiple times where a storm hits both Illinois and our neighbors, but Illinois is the only one denied assistance. One of the most recent examples is, 2 years ago this Christmas, flood damage throughout 16 counties cost $15 million in damages. Missouri, who was also impacted by this same storm, received assistance, but Illinois did not. This is wrong. My constituents pay into the Disaster Relief Fund to help other States. It should be there when they need it. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. Mimi Walters). Mrs. MIMI WALTERS of California. Mr. Speaker, California is experiencing the worst fire season in its history. Tragically, these fires have taken 46 lives, including one of our brave Cal Fire firefighters, Cory Iverson. California has lost nearly 10,000 homes and structures since the start of the October wildfires. The need for relief and assistance is immediate. Mr. Speaker, I support the swift passage of the Emergency Disaster Aid Package, which includes legislation I introduced, the California Wildfire Disaster Tax Relief Act of 2017. These specific provisions will allow victims to deduct property damages and access retirement funds without penalty, as well as encourage charitable giving. Passage of this bill will help mitigate the burden of these devastating wildfires and allow people to begin rebuilding their lives. Mr. Speaker, California faces a long road to recovery and rebuild from this devastating fire season. I urge my colleagues to aid in that recovery by voting for the Emergency Disaster Aid Package. Mrs. LOWEY. Mr. Speaker, I reserve the balance of my time. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. Smith). Mr. SMITH of New Jersey. Mr. Speaker, I thank my good friend for yielding time to me and for his tremendous bill. It is a great bipartisan piece of legislation. Mr. Speaker, after Superstorm Sandy, I and others saw how leaders and volunteers of churches, synagogues, and other religious centers helped feed, clothe, and shelter tens of thousands of victims, yet they were left out and left behind when it came to repairs of their own facilities. The FEMA policy was and is unfair, unjustified, and discriminatory. Over 4 years ago, the House came together in the wake of Superstorm Sandy and passed legislation that I authored by 354-72. Surprise, surprise, the Senate never acted, so the policy continues to this day. I want to thank the chairman for including a provision in this bill that will ensure that houses of worship, churches, and synagogues get the kind of help they need on an equal basis with other nonprofits. I also want to thank him for including language that will get rid of this misnamed duplication of benefits clause. Imagine this: men and women who are victimized by Superstorm Sandy or any other storm, they go to FEMA, they are advised to take out an SBA loan, then a little later in the recovery time, they are told that there is a HUD grant available, and they are precluded from getting that grant to even pay off the SBA loan. Mrs. LOWEY. Mr. Speaker, I reserve the balance of my time. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. Rutherford). Mr. RUTHERFORD. Mr. Speaker, I rise today in strong support of this emergency supplemental bill. This emergency funding provides much-needed and, frankly, overdue relief to my district in northeast Florida. In September, Hurricane Irma caused flooding that the city of Jacksonville had not seen in more than 150 years. Downtown was literally under water, power was out for many days, and homes and businesses were shuttered. In our more rural ***agricultural*** communities in Nassau County and St. Johns County, crops were wiped out, hurting our ***agriculture*** community for months, if not years to come. The city of Jacksonville recently projected that Hurricane Irma will cost the city $85 million. I would be remiss if I did not commend the quick Federal response, the leadership of our Governor, and the ***planning*** and coordination of local emergency management officials and first responders, who saved lives and made our community safe and quickly back up and running. But the Federal support in this bill provides the next phase in emergency response that we so desperately need. I would like to thank Chairman Frelinghuysen and his committee and committee staff for their work to get this bill over the line. I urge my colleagues in the strongest way possible to support this bill. Mrs. LOWEY. Mr. Speaker, I reserve the balance of my time. Mr. FRELINGHUYSEN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. McCarthy), the majority leader. Mr. McCARTHY. Mr. Speaker, I thank the gentleman for yielding time to me and for his work. Mr. Speaker, it is only 4 days until Christmas. I look forward to going home and being with my family. I know every single Member in this body looks forward to that, too. I count my blessings that my family is safe and that I have a community and home to head back to. There are people in this country who don't have that. Their homes were destroyed by wind, flood, and fires. Their communities were torn apart by hurricanes and flames. Mr. Speaker, I had the somber privilege of traveling to these places. I went to Texas and spent time with Members from both sides of the aisle, seeing the flooded homes and streets filled with water. We visited NRG Stadium to meet the people forced to evacuate their homes. I stood with Representatives like Sheila Jackson Lee, Al Green, Randy Weber, and Brian Babin. These folks don't often agree on much in politics. But you know what we did that day? We all promised to help the people of Texas. I flew to the Virgin Islands and Puerto Rico with Minority Whip Steny Hoyer, and I would like to thank Delegate Stacey Plaskett and Resident Commissioner Jenniffer Gonzalez-Colon for welcoming us and opening the eyes of the Nation to what was happening. In the Virgin Islands, we visited a hospital. The storm left half of it unusable. No dialysis machines. They had to come to the mainland. Nurses and doctors were working, doing the best they could to help people in the most difficult of circumstances. In Puerto Rico, we were the first congressional delegation to visit the interior after the storm. We were with Members like Jeff Denham, Anthony Brown, and Norma Torres. We met people without power for weeks, low on food, low on medicine. We saw schools and homes destroyed and completely washed away. We then went to Florida to see the other towns hit by Hurricane Irma, places that face storms year after year. I returned to my home State of California with Congressmen Mike Thompson and Jared Huffman during the worst wildfire season our State has ever seen. We saw the fires rage up north, where it destroyed entire communities. Forty-six people have lost their lives in the fires in California this year. You could see the devastation, block after block. Ash heaps of homes and trees, standing like barren pillars. I met with firefighters down south, still battling what may become the largest wildfire in California's history. As it looks right now, they will still be standing on the front lines of those fires come Christmas day. Every single place I went, Democrats and Republicans stood together. We saw the devastation together. We spoke to the suffering that the people were having together, and together we made a promise that we would return here to Washington and work hand-in-hand to help them as soon as possible. That is why you heard Minority Whip Steny Hoyer, on September 26, say that he would ``work with colleagues on both sides of the aisle to ensure Congress provides all funding necessary to ensure that all Americans affected by these storms can recover and rebuild.'' That is why he said on November 2 that he believes ``we can work together in a bipartisan way to ensure that the affected areas receive the resources they need from Congress.'' [[Page H10392]] That is why I appreciated joining him in an op-ed piece that was in The Washington Post on November 8, where we wrote: ``We are determined to ensure that there is strong bipartisan support for the next supplemental emergency funding package so that affected areas, such as those we visited, have the resources they need.'' Minority Leader Nancy Pelosi spoke similarly. She signed a letter with Members across California saying to President Trump that: We look forward to working with you to ensure that all Americans who have been severely impacted by recent natural disasters across the United States receive the Federal support they need and deserve. She told the Appropriations Committee that: Congress has an urgent responsibility to the California families, whose lives have been upended by disastrous wildfires. I couldn't agree more with these statements. In the past few weeks and months, we did--we worked together. We analyzed the damage. We studied the requests from Governors and legislators. We even made significant reforms to respond to disaster in the most effective and responsible way possible. The legislation today is the result. It provides funding for every single State and territory affected by natural disasters. I remind all my friends from California that this legislation accommodates exactly what our entire delegation requested. In all this work, we did it together in a bipartisan way; the way the American people expect this body to work. Now, I know it is the habit of this town to play politics. Mr. Speaker, I do want to tell my friends on the other side: If they feel like they have to, play politics on tax cuts. Call it whatever you want to call it. Play politics on all the other legislation that comes to this floor. But if I can request one thing: Please don't do it here. Don't play politics on a vote to give aid to the people of Texas; to the people of Puerto Rico; to the people of the Virgin Islands; to the people of Florida, and to the people of California, who are still fighting the fires. Don't play politics on a bill that you are going to hope to maybe stop another. That would be the worst of any politics I have seen played here. Mr. Speaker, I beg my friends on the other side: Please don't do what they did 2 weeks ago when they whipped against the funding bill to shut the government down. If they don't like tax cuts, I understand; vot against them. If they don't want to vote for the funding of the government and they want to shut it down, fine, take that vote. But here and now, right before Christmas, don't vote against aid for Americans who just lost everything. They don't understand the politics in it. Don't vote against aid we promised to deliver. Don't vote against aid we worked so hard together to put on this floor. Washington, D.C , can be far from our homes. We may all be dreaming of being home with our kids, eating Christmas dinner, opening presents, and enjoying time with our family and friends; but what we do here and now has consequences. What we do here and now will either give tens of thousands of people something to hope for this Christmas, or take that hope away. We can deliver that hope if those who stood with me on the flood plains of Texas and on the burnt hills of California keep the promise they made. We can deliver that hope if those who worked with us for so long continue to work with us today. People need our help. Vote to give them the help they need, the help we all promised. The SPEAKER pro tempore. Members are reminded to address their remarks to the Chair. Mrs. LOWEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from the Virgin Islands (Ms. Plaskett). Ms. PLASKETT. Mr. Speaker, I thank the gentlewoman for yielding time to me. Mr. Speaker, at this moment I would like to speak on behalf of the people who I represent, the people of the Virgin Islands. I am thankful that this House has decided that they wanted to work in a bipartisan manner on supplemental aid for the unprecedented disasters that have occurred in the Virgin Islands. I did hear the voice of so many of my colleagues who said that they would be willing to do whatever was necessary to support the people of the Virgin Islands. But right now, as I stand here, people of the Virgin Islands, almost 60 percent of them, still do not have power. {time} 1545 I have no power in my own home, and those of you in Florida, Texas, and in other places would not stand for that. But you expect us to stand for it. We are supposed to muddle through. We are only supposed to have hope this Christmas of what is supposed to come? Mr. Speaker, you can have hope at your Christmas dinner because you have got some lights on. My house I will go empty to, it will be cold, and it will be dark there until my husband and I crank up the generator and get it going for a couple of hours so that maybe we can wash, cook some food, and turn it back off again later in the day. Today, I am urging my colleagues to vote ``no'' on H.R 4667, not because I don't want supplemental support, not because the people of the Virgin Islands don't need it, but because I understand that I have said, when this measure was unveiled, that the funding in this bill is woefully insufficient, and it has not improved since that time. This measure provides only $81 billion to be split between Texas, Florida, Puerto Rico, the Virgin Islands, and other places. If history is any indication, that money is not going to get to the people of the Virgin Islands, because while the California delegation and the Texas delegation can lobby in late hours to get what they need in the bill, I am the only person from the Virgin Islands here to support the people of the Virgin Islands. Not only do I not get invited to those negotiations, I don't even have a vote when the bill that comes to providing for the people that I represent comes on this floor. One of the things that is noticeably absent from this disaster package is funding for Medicaid ***programs***, the same type of funding that was put in, in discussions for Katrina, for the people of Texas and Louisiana. The government of the Virgin Islands cannot shoulder the current burden of the local matching requirements for Medicaid funding which the government of the Virgin Islands has recently submitted to be $64 million and an additional $50 million. The government of the Virgin Islands has respectfully requested that the Medicaid provisions, that the cap be removed, the arbitrary cap be removed for us for a period of time for us to be stabilized and for 100 percent the same way it was for Katrina in other places be given to us. Now, the people of the Virgin Islands and the people of Puerto Rico-- I know it may be news to many people--but we are U.S citizens. We decide to live on an island because that is where we were brought. The SPEAKER pro tempore. The time of the gentlewoman has expired. Mrs. LOWEY. Mr. Speaker, I yield an additional 1 minute to the gentlewoman from the Virgin Islands. Ms. PLASKETT. Because of that, we have been treated disproportionately and unfairly in the ways that some of this funding has come about. In addition, the bill does not include important local cost-share waivers for the Virgin Islands and contains unnecessary limitations on the ability of the Virgin Islands to use Federal assistance to rebuild with more resilience. Furthermore, the Virgin Islands cannot wait for the community development funds provided in this bill. HUD should immediately award community development funds to the Virgin Islands on the damage assessments that have been completed. Those are things that I can get around. Those are real support in a real bill that is really working in a bipartisan way to help all Americans--not just delegations who can get together in the dark of the night and in the cold of the night and make provisions for themselves leaving those of us. I have told my colleagues on this side of the aisle that they are going to pick off Puerto Rico and the Virgin Islands, we are going to be left out. Some of you are going to get what you want, and you are going to vote for [[Page H10393]] this. Once again, the people who have no vote on this floor, the people who have no say in this country, although they are U.S citizens, are going to be left out. Mr. Speaker, I am urging all of my colleagues to vote ``no.'' Mr. FRELINGHUYSEN. Mr. Speaker, I reserve the balance of my time. Mrs. LOWEY. Mr. Speaker, I yield myself 1 minute to close. Mr. Speaker, I would like to reiterate that the bill before us is insufficient to meet the needs of those living in Puerto Rico and the Virgin Islands. Months after hurricanes devastated the islands, hundreds, if not thousands, of Americans have died, and far too many people are living without basic necessities that all Americans should have. I include in the Record a letter from Puerto Rico's Resident Commissioner, Jenniffer Gonzalez-Colon, which requests Medicaid assistance and 100 percent Federal costs for FEMA and Army Corps projects which are not included in the bill. Congress of the United States, House of Representatives, Washington, DC, December 20, 2017. Hon. Thad Cochran, Chairman, Appropriations Committee, U.S Senate, Washington, DC. Hon. Patrick J. Leahy, Ranking Member, Appropriations Committee, U.S Senate, Washington, DC. Hon. Rodney Frelinghuysen, Chairman, Appropriations Committee, House of Representatives, Washington, DC. Hon. Nita M. Lowey, Ranking Member, Appropriations Committee, House of Representatives, Washington, DC. Dear Chairmen Cochran and Frelinghuysen and Ranking Members Leahy and Lowey: I write to draw your attention to several disaster supplemental appropriations matters that are important to Puerto Rico's recovery from the catastrophic damage caused by Hurricanes Irma and Maria. The revisions I propose to the disaster supplemental legislation that Congress is currently considering are necessary for rebuilding the lives of the 3.4 million U.S citizens who live on the island. Regarding any federal funding for Medicaid in Puerto Rico, it is imperative that disaster supplemental legislation provide that for not less than two years Puerto Rico will receive 100% federal funding (FMAP). This funding is necessary because there is no question about Puerto Rico's looming Medicaid crisis: within the first months of 2018, absent emergency funding, Puerto Rico's Medicaid ***program*** will exhaust its current funds and the island's Medicaid system will collapse, which will bring to a halt Puerto Rico's entire healthcare system. The disaster supplemental legislation must be revised so to statutorily waive for two years Puerto Rico's state cost share for FEMA Public Assistance. Moreover, the disaster supplemental legislation must be revised so to include a two year waiver of the cost-sharing requirements for all Army Corps of Engineers projects in Puerto Rico. As you know, the recent hurricanes have destroyed Puerto Rico. The lives of millions of U.S citizens are now in the federal government's hands. I look forward to continuing to work with you to move forward the proposals I have outlined in this letter. Together we can rebuild Puerto Rico better than ever and make the island anew. At this moment, the federal government has an opportunity to demonstrate America's commitment to all its citizens, including those who reside in Puerto Rico. Sincerely, Jenniffer Gonzalez-Colon, Member of Congress, PR-At Large. Mrs. LOWEY. Mr. Speaker, I yield back the balance of my time. Mr. FRELINGHUYSEN. Mr. Speaker, I yield myself the balance of my time. Mr. Speaker, this bill--put together after eight public hearings, input from all Governors, all Members of Congress, and all Delegates, especially those who represent Texas, Florida, Louisiana, Puerto Rico, the Virgin Islands, and California--represents a fair and a compassionate treatment of all hurricane and fire victims. Like the first two emergency supplementals put together by our leadership, our committee, and Congress, we acted within days to help. I ask that we do it again this afternoon without delay. Get this $81 billion disaster package into the hands of the States, the territories, and the communities that continue to suffer. Let me associate myself with the remarks of our majority leader. Let's get the money into those communities that have been suffering. That money is going to the Virgin Islands, it is going to Puerto Rico, and it is going to Florida, Texas, and California. There has been no discrimination at all. This bill has been put together with the cooperation of all the chairs and ranking members, and it deserves to be acted on promptly. People are suffering. Let's get the money out the door to help them as we have done in the past on the first two supplementals. Mr. Speaker, I yield back the balance of my time. Mr. DeFAZIO. Mr. Speaker, I rise in support of Division B of this bill, which has bipartisan, bicameral support of the leadership of the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate. It includes H.R 4460, the ``Disaster Recovery Reform Act'', and several other Federal Emergency Management Agency (FEMA) bills that passed the House earlier this year. While there are many good provisions in Division B, I will focus my comments on a few provisions that I believe will have the most impact in making the United States a leader in disaster recovery. Under Division B, the Nation will be on the right track to build stronger and more resilient communities and it will encourage better behavior before and after disaster strikes. We know that for every dollar invested in mitigation to make our communities stronger before disaster strikes, the taxpayer saves $3 to $4 in future disaster costs. Section 2036 of this bill furthers the goal of investing in mitigation before disaster strikes by establishing a steady funding stream for FEMA's Predisaster Mitigation (PDM) ***program***. Under Section 2036, the President must provide a specific amount of additional funding from the Disaster Relief Fund for the PDM ***program***. The specific amount of additional funding is equal to six percent of the estimated amount of disaster assistance provided for each major disaster. The President will then distribute these funds in accordance with existing law, with a certain amount provided to each State and the remainder made available through a competitive grant process. Section 2036 uses language similar to language in the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) authorizing FEMA's Hazard Mitigation Grant ***Program*** (HMGP), which is mandatory funding provided post-disaster with each disaster declaration. Although Section 2036 uses the term ``may'', the intent is that FEMA will set aside funds for the PDM ***program***, just as they do for HMGP. We have had several bipartisan conversations with FEMA confirming that FEMA understands the intent of this section and will interpret the ``may set-aside'' language included in section 2036 as mandatory. The mandatory funding for the PDM ***program*** from the Disaster Relief Fund required under this section will provide consistency to a ***program*** with a proven record of saving taxpayers money. In addition, section 2036 authorizes FEMA to withdraw and redistribute funds that remain unobligated three fiscal years after FEMA awarded the funds to the grantee. The intent of this provision is to provide FEMA with discretionary authority to move funding that is not being used to States and projects that will use it. However, FEMA is not required to withdraw these funds from grantees and shall make these decisions on a case-by-case basis. For instance, a grantee may have commenced work on a project or is actively working on a project but the project is not at the point where funds need to be obligated. In this instance, we would not expect FEMA to withdraw the funds. In addition, while this section will apply to PDM funds awarded prior to enactment of this Division, the intent is to give grantees three fiscal years from the date of enactment of this Act to obligate these funds. Grantees with existing PDM funds are now on notice that they have three years to obligate these funds or at least be actively working on projects that will allow those funds to be obligated shortly thereafter. I have noted time and time again how nonsensical it is that the Federal Government pays to rebuild communities after a disaster to inadequate standards only to have those facilities destroyed again by a later disaster, with the Federal Government once again on the hook for the cost of rebuilding. Under this legislation, this nonsense will finally stop. Section 2037 requires communities to rebuild to the latest consensus-based, design standards and in a more resilient manner, thereby ensuring stronger, smarter facilities going forward. The cycle of repeatedly rebuilding and repairing disaster-damaged public infrastructure will end under this measure. Although FEMA must define ``resilient'' and ``resiliency'' pursuant to regulations within two years of the date of enactment of this Act, FEMA is required to adopt guidance to immediately implement the ``resiliency'' requirements of this legislation. The need for resilient construction has become even more apparent after the 2017 disaster season. FEMA must use this opportunity to invest taxpayer funds wisely while saving lives and reducing injuries. FEMA has the ability to ensure that the United [[Page H10394]] States leads the way in disaster recovery and I urge FEMA to seize this moment. Accordingly, as FEMA works to develop the definition of ``resilient'' and ``resiliency'', the agency needs to ensure that it takes into account the extent to which the improved facilities: reduce deaths and injuries during and after a major disaster; sustain minimal damage allowing the facility to continue to provide the primary function and services of the facility during and after a natural hazard; prepare for and withstand all hazards that could result in a major disaster; and reduce the magnitude or duration of a disruption to the facility's primary function and services to a facility. In addition, any ``resilient'' facility should be constructed: in consideration of current and future environmental conditions based upon the best-available science, changes in demand, and extreme weather events; to reduce potential disruptions to the facility, including by building in operational redundancies, and increasing the ability of the facility to recover more rapidly; using techniques and materials that have the absorptive capacity, adaptive capacity, and recoverability to withstand a potentially disruptive event; to the maximum extent practicable, using durable and sustainable material; and to incorporate, to the maximum extent practicable, natural and nature-based measures and energy efficiency improvements. Currently, FEMA provides HMGP funds when a State receives a disaster declaration, but HMGP funds are not provided when a State receives a Fire Management Assistance Grant to respond to wildfires on non-Federal lands. Unfortunately, wildfires destroy the landscape often causing mudslides and flooding that then result in a disaster declaration. Under Division B, States will receive HMGP funds if they have received Fire Management Assistance Grants to respond to wildfires. With HMGP funds, States will be able to restore landscapes and vegetation destroyed by wildfires and make the land less susceptible to future mudslides and floods. This legislation also clarifies that wildfire- related mitigation activities are eligible under both the PDM and HMGP ***programs***. Together, these provisions will help prevent wildfires and related disasters and I commend our colleague from California (Mr. Ruiz) for his leadership on these issues. Division B also clarifies that earthquake-related activities are eligible for mitigation assistance. The West Coast faces the most risk from multiple and extreme earthquakes, and Oregon is long overdue for an earthquake and tsunami on the Cascadia Subduction Zone. Yet, the United States' earthquake early warning system lags behind those of other nations. Clarifying for grantees that mitigation funds are available for earthquake-related activities will save lives and reduce injuries in a future disaster. Finally, important to the State of Oregon, section 2029 clarifies that for purposes of the National Flood Insurance ***Program*** (NFIP), FEMA is not responsible for privately funded actions taken by private parties on private land. Under actions proposed by the National Marine Fisheries Service, the entire State of Oregon would become a critical habitat, seriously impeding economic development. The proposed requirements, are so onerous, the State of Oregon, which already has strict land use regulations, would have difficulty implementing them, as they violate federal and state property rights. This provision will help ensure that FEMA implements the NFIP in a manner that is consistent from state-to-state and does not become a land use regulatory agency. I support all of these important provisions and urge their adoption. The SPEAKER pro tempore. All time for debate has expired. Pursuant to House Resolution 670, the previous question is ordered on the bill, as amended. The question is on the engrossment and third reading of the bill. The bill was ordered to be engrossed and read a third time, and was read the third time. The SPEAKER pro tempore. Pursuant to clause 10 of rule XX, the yeas and nays are ordered. Pursuant to clause 8 of rule XX, further proceedings are postponed.

**Load-Date:** December 28, 2017

**End of Document**



[***Washington: Workin'!***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RBN-HGB1-JDG9-Y2YD-00000-00&context=1516831)

Impact News Service

January 5, 2018 Friday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 1585 words

**Body**

Washington: Office of the MP Rick Nolan has issued the following news release:

 Fireworks over the U.S Capitol are a joy - now hopefully we’ll see fewer fireworks and more cooperation inside the Capitol and the halls of Congress here in 2018.

Dear Friend,

As we begin the New Year, I wanted to share the opinion piece I wrote for last Sunday’s Duluth News Tribune looking ahead to 2018 and the important tasks we share together as a Nation. I believe our top priorities must include: Reinvesting in the American people; creating good paying jobs; protecting Social Security, Medicare, Medicaid and our precious environment; ensuring that retirees receive every dime of their hard earned pensions; and changing the way we do politics.

Following that piece, I hope you’ll also take a few minutes to read another recent article published in several newspapers across northern Minnesota chronicling my youngest daughter Katherine’s three-year ongoing battle with Stage 4 non-smoking, non-small cell lung cancer. She inspires me every day, and I hope her story will inspire you as well.   We will keep you posted as events proceed. Meanwhile, I want to hear your thoughts. Feel free to contact any of our offices listed below or send me an email.

Sincerely,Congress has a historically bad habit of not accomplishing much during election years. It’s time to break that tradition, get to work, and insist that President Trump keep the promises he made to the American people during his campaign – promises to reform our spending priorities, create jobs, expand high-quality, affordable health care to all Americans, protect Social Security, Medicare and Medicaid, change the way we do politics, and take care of our Veterans, Pensioners, and Dreamers.

 This cartoon by Carlos Latuff perfectly illustrates how America’s wasteful spending on endless wars of choice in the Middle East comes right out of taxpayers’ pockets.

We’ve got to stop the tragic waste of blood and treasury on endless wars in the Middle East, and start reinvesting those monies, energies and talents into America, our people and our infrastructure. The wars in Iraq and Afghanistan alone have cost us $8 trillion dollars.

Think about it – for $1 trillion, we could have rebuilt our public infrastructure. For another trillion, we could have invested in lifesaving medical research for cancer, diabetes and Alzheimer’s and other life-threatening diseases. For another trillion, we could have graduated every college student in America debt-free. And we’d still have $5 trillion left over for other priorities like tax cuts and deficit reduction. The time is long overdue to stop this tragic, wasteful spending on wars.

 Giant Lakers like this one carry millions of tons of Minnesota iron ore, timber, ***agricultural*** and manufactured goods through the Poe Locks, on through the Great Lakes and up the Saint Lawrence Seaway.

Creating good paying jobs with good benefits for middle class Americans will always be my top priority. In the last five years, the unemployment rate in northeastern Minnesota dropped by 5 percent, more than 1200 miners and thousands of other service and business-related employees are back at work, and shipments out of the Port of Duluth have hit a 10-year high.

With careful attention to protecting our environment, we are making steady progress toward opening the Iron Range to the mining of ***strategic*** minerals. This new 21st-century, high-technology mining over the years will ***produce*** thousands of good paying jobs, advance our “green” economy, and help create renewable energy to address climate change. The House just passed my legislation to facilitate the Obama Administration-approved PolyMet land exchange by an overwhelming bipartisan vote of 309-99. My goal is to see the land exchange bill pass the Senate and arrive on the President’s desk in 2018.

Americans are still waiting for President Trump’s promised $1 trillion bill to fix our crumbling infrastructure and create an estimated 13 million jobs. This bill must include my legislation to expand high-speed rural broadband to 22 million rural Americans. It’s time for the President to send a detailed infrastructure bill to our House Committee on Transportation and Infrastructure so we can begin working on it immediately in 2018.

In addition, we’ve got to keep up the pressure against illegal steel dumping by China and other trade-cheater nations – preserving the tariffs and taxes that we secured of up to 520 percent on low-grade, foreign-government subsidized steel products. The fact of the matter is, American workers can compete and win against anyone in the world when we’re on a level playing field. Establishing that level playing field is what these tariffs and taxes are all about.

 Everyone deserves access to affordable, high-quality health care – that’s what my and Senator Sanders’ “Medicare for All” legislation is all about.

I’ve always believed that the ultimate solution to health care in American is a universal, single payer national health care system - also known as “Medicare for All”- that provides everyone with affordable, top-quality health care.

Next year, I’ll continue to push the “Medicare for All” legislation that Senator Bernie Sanders and I are championing in the House and Senate. Protecting Social Security, Medicare, and Medicaid

 The bottom line is, there must be absolutely no cuts to Social Security, Medicare or Medicaid – ***programs*** that have lifted millions of Americans out of poverty and doubled life expectancy in just a few generations.These are hard earned benefits that Americans pay into from the very first hour of the very first day on the job.

Make no mistake - Republican leaders are on record, promising to pay for their $1.5 trillion tax giveaway to millionaires, billionaires, and wealthy corporations with drastic cuts to Social Security, Medicare and Medicaid. And I’m going to keep fighting them every step of the way.

Last year, I introduced legislation that would ensure no cuts to Medicare, Medicaid or Social Security – a promise that President Trump himself has made. These ***programs*** are a fundamental part of the American promise, and they help support millions of middle class families and retirees across our Nation.   Protecting Our Precious Environment

 Our precious land, air, and water are a big part of the reason we all live up here in northern Minnesota, and I am absolutely committed to protecting them.

Let’s be clear: Our precious land, air, and water are a big part of the reason we all live up here in northern Minnesota, and I am absolutely committed to protecting them.

I’m proud of what we’ve accomplished, including my work as an original co-sponsor of the legislation that established the Boundary Waters Canoe Area Wilderness. Moreover, we’ve got to continue to protect and restore the Great Lakes. Last year, I led a bipartisan push to fully fund the Great Lakes Restoration Initiative and the Sea Grant ***Program***. We must also protect our waters from invasive species – this past year, I increased the funding to $1 million to battle invasive zebra mussels.

In 2018, I’ll keep fighting against any Trump Administration-proposed cuts to the Environmental Protection Administration (EPA). In 2017, I helped lead the effort to defeat the Republican-Trump Administration ***plan*** to cut overall EPA funding by over 30 percent and EPA enforcement funding by 40 percent. We cannot allow a half-century of environmental progress to be rolled back by outrageous budget cuts and policies that allow polluting corporations to run wild with our precious air, land and water. Fulfilling Our Sacred Obligations to Veterans

We’ve got to meet our sacred obligations to our Nation’s military Veterans.

Congress must create a new patient & provider friendly Veterans Choice ***program*** that ensures top quality, local health care for rural Veterans. I’m also sponsoring legislation that would require the VA to provide better mental health care, create more good paying civilian jobs for Veterans,and put an end to Veteran homelessness. Protecting Our Nation’s Pensioners and DREAMers

In future budgets, we’ve got to start by fixing the pension crisis in our Nation. The simple fact is, millions of hardworking Americans who contributed every penny, nickel and dime into their pensions are now at risk of seeing their pensions eliminated or severely reduced because of sheer corporate irresponsibility. That’s outrageous. Finding an immediate solution to this pension crisis must be a top priority for Congress in 2018.

It’s also time for President Trump and Republican leaders to honor their promise to help pass the DREAM Act. We need to end the threat of deportation of some 800,000 “Dreamers” – men and women of great promise who were brought to America as minors by their undocumented parents. That’s why I cosponsored The DREAM Act – so we can give these Dreamers the opportunity to stay in America, earn their citizenship, and use their talents to move our Nation forward. Changing the Way We Do PoliticsLast but far from least, President Trump must keep his promise to change the way we do politics in America. The simple fact is, the political and economic system is rigged for the benefit of the few at the expense of the many. In 2018, I will continue my work to advance my “Restore Democracy” legislation, which takes the dark, negative money out of politics by reversing the disastrous Citizens United decision, complimented by restricting the campaign spending period and eliminating partisan gerrymandering.

**Load-Date:** January 6, 2018

**End of Document**



[***FAO reaches milestone in massive famine-prevention campaign in Somalia***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NP6-8GW1-F0K1-N07G-00000-00&context=1516831)

M2 PressWIRE

June 2, 2017 Friday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 481 words

**Body**

June 2, 2017

ROME, Italy -- The Food and ***Agriculture*** Organization of the United Nations (FAO) is pushing forward with a massive campaign that has so far treated more than 12 million animals in less than three months, protecting the livelihoods of hundreds of thousands of families who rely on their livestock's meat and milk for survival.

By mid-July, FAO will have reached 22 million animals, benefiting over 3 million people.

"Saving animals saves human lives and livelihoods. When animals are weakened by drought, they stop ***producing*** milk or die which means people go hungry and families are pushed out of self-reliance," said Richard Trenchard, FAO Representative in Somalia.

Around 3.2 million people in Somalia are on a hunger knife-edge. The majority live in rural areas and livestock such as goats, camels, sheep and cattle are their main source of food and income.

"What we have heard again and again from displaced people in camps is that when they lost their animals, everything collapsed. It is a steep, long climb for them to get back on their feet again. We have stepped up our response to reach families before that happens," Trenchard said, adding: "Livelihoods are their best defence against famine".

FAO is deploying 150 veterinary teams across Somalia to treat goats and sheep as well as cattle and camels - up to 270,000 animals each day. The teams are made up of local Somali veterinary professionals.

Simple, cost-effective care

Livestock badly weakened by the lack of feed and water are highly susceptible to illnesses and parasites but are too weak to withstand vaccination. As part of an integrated response ***program*** to improve the conditions of livestock, animals are treated with multivitamin boosters, medicines that kill off internal and external parasites, deworming, and other treatments to fight respiratory infections.

The simple and cost-effective care being provided by the FAO vet teams is reinforcing animals' coping capacity and keeping them alive and productive.

FAO's livestock campaign in Somalia is being supported mainly thanks to generous funding from the UK's Department for International Development (DFID) with important contributions from the Canadian Department of Foreign Affairs, Trade and Development (DFATD) and the UN's Central Emergency Response Fund (CERF). FAO has also mobilized some of its own resources to back the effort.

Through its Famine Prevention and Drought Response ***Plan***, FAO is delivering large-scale, ***strategic*** combinations of assistance to prevent famine in Somalia. In addition to livestock treatments, this includes giving rural families cash for food purchases, helping communities rehabilitate ***agricultural*** infrastructure, and providing farmers with vouchers for locally-sourced seeds along with tractor services that reduce their labour burden.

Distributed by APO on behalf of Food and ***Agriculture*** Organization (FAO).

**Load-Date:** June 2, 2017

**End of Document**



[***FEDERAL REGISTER: Grand Mesa, Uncompahgre and Gunnison National Forests; Delta, Garfield, Gunnison, Hinsdale, Mesa, Montrose, Ouray, Saguache and San Miguel Counties; Colorado; Assessment Report of Ecological, Social and Economic Conditions, Trends and Sustainability for the Grand Mesa, Uncompahgre and Gunnison National Forests Pages 25764 - 25765 [FR DOC # 2017-11482]***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-9YV1-F0YC-N4MT-00000-00&context=1516831)

Impact News Service

June 5, 2017 Monday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 1787 words

**Body**

Washington: Office of the Federal Register has issued the following notice:

DEPARTMENT OF ***AGRICULTURE*** Forest Service Grand Mesa, Uncompahgre and Gunnison National Forests; Delta, Garfield, Gunnison, Hinsdale, Mesa, Montrose, Ouray, Saguache and San Miguel Counties; Colorado; Assessment Report of Ecological, Social and Economic Conditions, Trends and Sustainability for the Grand Mesa, Uncompahgre and Gunnison National Forests AGENCY: Forest Service, USDA. ACTION: Notice of initiating the assessment phase of the land management ***plan*** revision for the Grand Mesa, Uncompahgre and Gunnison National Forests. ----------------------------------------------------------------------- SUMMARY: The Grand Mesa, Uncompahgre and Gunnison National Forests (GMUG), located on the western slope of the Colorado Rockies, are initiating the forest ***planning*** process pursuant to the 2012 National Forest System Land Management ***Planning*** rule. This process will result in a revised and updated Natural Resource Land Management ***Plan***, often referred to as the Forest ***Plan***, which will guide all management activities on the GMUG for the next fifteen years. The current GMUG Forest ***Plan*** was completed in 1983, and was subsequently amended in 1991, 1993, 2005, 2007, and 2009. Previous efforts to revise the Forest ***Plan***, including an eight-year effort involving extensive public participation and the development of comprehensive assessments, a need for change report, and a proposed ***plan*** were shelved due to the overturning of the 2008 ***planning*** rule.

Now that the national 2012 ***Planning*** Rule has been established, the GMUG will reinitiate the ***plan*** revision process. The ***plan*** revision process encompasses three stages: Assessment, ***plan*** revision, and monitoring. This notice announces the initiation of the assessment phase, the first stage of the ***plan*** revision process, which involves assessing ecological, social and economic conditions and trends in the ***planning*** area and documenting the findings in an Assessment report. For the first phase, the GMUG has posted helpful resources, including the current Forest ***Plan*** and subsequent amendments, information from the 2006 and 2007 revision efforts, and the Citizen's Guide to National Forest ***Planning***, on the GMUG Forest ***Plan*** Web site listed below. During this assessment phase, the GMUG invites other government agencies, non-governmental parties, and the public to share material about existing and changed conditions, trends, and perceptions of social, economic and ecological systems. The GMUG will host a variety of public outreach forums in summer and fall of 2017 to facilitate this effort, and the public is encouraged to participate and provide meaningful contributions. The GMUG is seeking local knowledge of social values, available data resources, areas of use and activities, goods and services ***produced*** by lands within the GMUG, and relevant material that will help inform desired conditions, standards and guidelines, land suitability determinations, and other ***plan*** components. This information will help identify gaps in the current management ***plan*** and inform the need for change, highlighting priority issues that should be addressed in this revision. Public participation and collaboration are essential steps to understanding current conditions, available data, and feedback needed to support a ***strategic***, efficient and effective revision process. Several guiding principles, developed to overcome stakeholder- identified challenges, will drive public engagement throughout the ***plan*** revision process. These guiding principles include providing direct and transparent communication through a variety of methods, maintaining focused public involvement, building relationships, and promoting sharing, learning and understanding between the agency and the public. These guiding principles will help the GMUG ensure [[Page 25765]] that public engagement in the current assessment phase and throughout the ***plan*** revision process will be functional, accessible, and representative. DATES: In summer and fall of 2017, the public is invited to engage in the assessment phase of the revision process, for which public engagement opportunities will be posted on the GMUG Forest ***Plan*** Web site located at: [*www.fs.usda.gov/main/gmug/landmanagement/****planning***](http://www.fs.usda.gov/main/gmug/landmanagement/planning). Information will also be sent out to the Forests' mailing list. If anyone is interested in being included in these notifications, please send an email to [*gmugforestplan@fs.fed.us*](mailto:gmugforestplan@fs.fed.us) The assessment report for the Grand Mesa, Uncompahgre and Gunnison (GMUG) National Forests is expected to be completed by January 2018 and will be posted on the GMUG Forest ***Plan*** Web site listed above. The GMUG will then initiate procedures pursuant to the National Environmental Policy Act (NEPA) and prepare and evaluate a revised Forest ***Plan***. ADDRESSES: Send written comments to Grand Mesa, Uncompahgre, and Gunnison National Forests, Attn: ***Plan*** Revision, 2250 HWY 50, Delta CO, 81416. Written comments may also be sent via email to [*gmugforestplan@fs.fed.us*](mailto:gmugforestplan@fs.fed.us), or via facsimile to 970-874-6698. All correspondence, including names and addresses when provided, will be placed in the record and will be available for public inspection and copying. FOR FURTHER INFORMATION CONTACT: Clay Speas, Acting Renewable Resources ***Planning*** Staff Officer, 970-874-6677, [*cspeas@fs.fed.us*](mailto:cspeas@fs.fed.us) Individuals who use telecommunication devices for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m and 8 p.m , Eastern Time, Monday through Friday. SUPPLEMENTARY INFORMATION: The National Forest Management Act (NFMA) of 1976 requires that every National Forest System (NFS) unit develop a land management ***plan***, often called a Forest ***Plan***. On April 9th, 2012, the Forest Service finalized its land management ***planning*** rule, referred to as the 2012 ***Planning*** Rule, which describes requirements for the ***planning*** process and provides programmatic direction to National Forests and National Grasslands for developing and implementing their forest ***plans***. Forest ***plans*** describe the ***strategic*** direction for management of forest resources, and are adaptive and amendable as conditions change over time, in order to remain relevant for their intended application period of 10-15 years. Similar to the 2008 ***Planning*** Rule, the 2012 ***Planning*** Rule requires the forests to outline desired conditions for each management area, specify objectives to achieve those conditions, and engage the public extensively throughout the ***plan*** revision process. However, the 2012 ***Planning*** Rule diverges from previous iterations in several guiding concepts and substantive components, particularly in relying on the concept of ecological integrity to frame ***plan*** assessment, develop ***plan*** components, and fulfill monitoring requirements. Based on current estimates, it is expected to take four years to ***produce*** a revised Forest ***Plan***. Pursuant to the 2012 ***Planning*** Rule (CFR part 219), the revision process encompasses three stages: Assessment, ***plan*** revision and monitoring. Assessment--This notice announces the start of the first stage of the process, during which updated information from the public, other federal agencies, and non-governmental parties, as well as still applicable data from the previous revision effort will be compiled in an assessment report. Information relevant to the assessment report may include the current, changed, and changing status of ecological, social and economic conditions within the ***planning*** area and their interconnected relationships within the context of the broader landscape. The development of the assessment includes opportunities for the public to contribute information and engage in the ***planning*** process and build a common understanding prior to entering formal ***plan*** revision. Information gathered will be documented in assessment reports that form the basis for the need for change document, which identifies changes to be included in the new ***plan*** to provide management direction adaptable enough to address changing environmental, social and economic conditions. ***Plan*** Revision--Using the need for change as a foundation, the GMUG, in coordination with partners and the public, will then begin the ***plan*** revision phase of the process. During this phase, a vision statement will be developed that will lead the forests into the future, specifying desired conditions and objectives to help achieve these goals. In compliance with the NEPA, this phase will include the development of alternatives, a proposed action, an environmental impact statement (EIS), and eventually a revised Forest ***Plan***, with announced opportunities for public review and comment. Once the Forest ***Plan*** is finalized, all projects and actions that will be implemented on the ground must be in compliance with the Forest ***Plan***. Monitoring--As part of the ***plan*** revision, the public will assist the Forest Service in developing a monitoring ***program***, which will be carried out after the revised ***plan*** is approved and will continue throughout the life of the ***plan***. The monitoring ***program*** should be designed to help evaluate progress towards meeting the desired conditions and objectives established by the Forest ***Plan***, and may include monitoring questions that address the status of watershed conditions, visitor use and satisfaction, effects of management activities, and more. Monitoring efforts should be within the financial and technical capability of the agency and will help the Forest Service and the public evaluate the effectiveness of the Forest ***Plan*** by providing feedback and helping determine whether a change in the ***plan*** is necessary. To identify as much relevant information as possible, the GMUG is encouraging contributors to share their concerns and perceptions of the conditions and trends in social, economic and environmental systems within the GMUG ***planning*** area. Meetings, review and comment periods, and other opportunities for public engagement throughout the ***plan*** revision process will be publicized, with announcements posted on the Forests' ***planning*** Web site at   [*www.fs.usda.gov/main/gmug/landmanagement/****planning***](http://www.fs.usda.gov/main/gmug/landmanagement/planning). Information will also be sent out to the Forests' mailing list. If anyone is interested in being included in these notifications, please send an email to [*gmugforestplan@fs.fed.us*](mailto:gmugforestplan@fs.fed.us) Responsible Official The responsible official for the revision of the land management ***plan*** for the Grand Mesa, Uncompahgre and Gunnison National Forests is Scott Armentrout, Forest Supervisor, Grand Mesa, Uncompahgre and Gunnison National Forests, 2250 HWY 50, Delta, CO 81416. Dated: April 13, 2017. Glenn P. Casamassa, Associate Deputy Chief, National Forest System. [FR Doc. 2017-11482 Filed 6-2-17; 8:45 am] BILLING CODE 3411-15-P

**Load-Date:** August 1, 2017

**End of Document**



[***Register of Commission documents: Report from the Commission to the European Parliament and the Council Annual Report on the Implementation of the European Union's Instruments for Financing External Actions in 2016 Document date: 2018-03-12 COM\_COM(2018)0123 COM documents***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S18-H1N1-F0YC-N252-00000-00&context=1516831)

Impact News Service

April 3, 2018 Tuesday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 4962 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN EN EUROPEAN COMMISSION Brussels, 12.3.2018 COM(2018) 123 final REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Annual Report on the Implementation of the European Union's Instruments for Financing External Actions in 2016 {SWD(2018) 64 final} 1 1. Global commitments In 2016, the European Union started engaging in discussions about the Future of Europe, the implementation of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) agreed at the UN General Assembly in 2015, and it also laid out a Global Strategy for the EU's Foreign and Security Policy (Global Strategy). During 2016, the EU and its Member States remained the world's largest provider of development funding, contributing more than half of official development assistance (ODA) globally. The European Commission alone disbursed over EUR 10.3 billion in ODA on behalf of the EU with the aim of reducing poverty in the world, ensuring sustainable economic, social and environmental development, and promoting democracy, the rule of law, good governance and the respect of human rights. In response to the many human-made and natural disasters that took place in 2016, the EU's humanitarian aid budget in 2016 was the highest ever, at EUR 2.3 billion (including EDF reinforcements) providing relief assistance including food, shelter, protection, healthcare and clean water to more than 120 million people in over 80 countries.

Global Strategy for the EU's Foreign and Security Policy (Global Strategy) The 2016 Global Strategy aims to create a “Shared Vision' and 'Common Action” for a 'stronger Europe'.1 The strategy sets out core EU interests and principles, and provides a road map for a more credible, responsible and responsive EU in the world, which will guide EU actions for many years to come. The objectives of EU external action and the vision of the 2030 Agenda are fully consistent, and the SDGs will be a cross-cutting dimension for the implementation of the EU's Global Strategy. In line with this strategy, the EU in 2016 focused on its five priority policy areas: investing in the resilience of states and societies to the East and South of Europe and providing an integrated approach to conflicts and crises; strengthening security and defence; reinforcing the internal/external policy nexus, with special attention to migration; updating existing or preparing new regional and thematic strategies; and stepping up public diplomacy efforts. A Stronger Global Actor The EU works continuously for a peaceful world and has led and supported negotiations to reduce tensions around the world. In 2016 these included the start of the implementation of the historic international agreement on Iran’s nuclear ***programme*** and the peace agreement between the Government and the Fuerzas Armadas Revolucionarias de Colombia (FARC) movement in Colombia. Throughout the year, the EU also continued to play a leading role in international efforts addressing crises in Ukraine and working with its international partners to provide support in Syria, Iraq and Libya against the activities of Da'esh. The Instrument contributing to Stability and Peace (IcSP)2 is one of the instruments through which the EU can fulfil its role as a 'Stronger Global Actor' by increasing the efficiency and coherence of the Union's actions in the areas of crisis response, conflict prevention, peace-building and crisis preparedness, and in addressing global and trans-regional threats. Crisis response actions allow an immediate reaction to unforeseen events; a key asset to enable the EU to quickly establish political projects that can help with sensitive diplomatic processes and conflict situations, and to create new avenues for dialogue and conflict resolution. This Instrument also caters for the need to provide support for building and strengthening the capacity of civil society and other organisations involved in peace-building. 1 [*http://eeas.europa.eu/archives/docs/top\_stories/pdf/eugs\_review\_web.pdf*](http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf) 2   [*http://ec.europa.eu/dgs/fpi/documents/140311\_icsp\_reg\_230\_2014\_en.pdf*](http://ec.europa.eu/dgs/fpi/documents/140311_icsp_reg_230_2014_en.pdf) 2 The EU further increased third countries' resilience and preparedness to protect their ***strategic*** assets when threatened by a range of potential hybrid attacks from terrorism to organised crime and Chemical, Biological, Radioactive and Nuclear (CBRN) risk mitigation, as shown by the Joint Communication on Countering Hybrid Threats3. New Consensus on Development In September 2015, the international community responded to arising new trends and global challenges by adopting the 2030 Agenda and its 17 Sustainable Development Goals4. In response to this, the European Commission presented in 2016 a proposal for a new European Consensus on Development5, which aligns EU development policy with the 2030 Agenda while taking due account of the Addis Ababa Action Agenda and the Paris Agreement on Climate Change. The new European Consensus on Development, signed in June 2017, after trilateral discussions with the European Parliament and the Council, provides a shared vision and framework for action for development cooperation for the European Union and its Member States. It promotes a coherent approach to people, planet, prosperity, peace and partnership (the 'five Ps' of the 2030 Agenda). Poverty eradication remains the primary objective, while integrating comprehensively the social, economic and environmental dimensions of sustainable development. The Consensus on Development reaffirms the EU's commitment to Policy Coherence for Development (PCD), which requires taking into account the objectives of development cooperation in policies which are likely to affect developing countries, as an important contribution for the achievement of the SDGs in partner countries. Post-Cotonou The current Cotonou Partnership Agreement between the EU and 79 African, Caribbean and Pacific (ACP) countries will expire in 2020. The agreement has been the largest, most comprehensive and longest-lasting geographical partnership in the world. It has helped to reduce poverty, increase stability and integrate the ACP countries into the global economy. Following wide consultation, the 2016 Joint Communication 'A renewed partnership with the countries of Africa, the Caribbean and the Pacific'6, set out the building blocks required to create a stronger, renewed political partnership with the ACP countries based on a true partnership of equals and finding common solutions to common concerns. Gender Since its foundation, the EU has been committed to gender equality and women's and girls’ rights and empowerment. The Gender Action ***Plan*** in External Relations 2016-20207 sets out an ambitious framework for action to support inclusion of gender perspectives in all EU ***programme*** designs, policy and political dialogues with partner countries, and in international negotiations, and to strengthen partnerships with all relevant stakeholders. It covers four main pillars: ensuring the physical and psychological integrity of girls and women, including through fighting all forms of violence and harmful practices; economic and social empowerment; strengthening women’s voice and participation; and shifting institutional culture. 3 JOIN(2016) 18 final, 6.4.2016 4 Transforming our world: the 2030 Agenda for Sustainable Development, Resolution adopted by the UN General Assembly on 25 September 2015 (UNGA A/RES/70/1) 5 Final text: OJ 2017/C 210/01, 30 June 2017 6 JOIN(2016) 52 final, 22.11.2016 7 SWD(2015) 182 final, 21.9.2015; Council conclusions 13183/15, 26.10.2015 3 In 2016 the groundwork for delivery was set up such as national analysis studies. Mainstreaming gender issues in Zambia Development cooperation with Zambia, specifically through the European Development Fund (EDF) portfolio, demonstrates good practice in strengthening gender mainstreaming, with consistent attention to gender equality across the different ***programmes*** and activities. For example, attention to women traders in the ***agriculture*** sector, a focus on gender issues in governance, and the integration of gender issues in the policy dialogue. Sustainable Energy and Climate Change The EU flagship initiative the Global Climate Change Alliance (GCCA+) updated its strategy to reflect the Paris Agreement on Climate Change and the 2030 Agenda and organised a global learning event in Brussels in September attracting over 250 participants from 45 countries. The GCCA+ approved seven new country actions in 2016, continuing its support to the most vulnerable countries (Small Island Developing States (SIDS) and least developed countries (LDCs)). In total, contributions from the EU and its member states to support developing countries in reducing their greenhouse gas emissions and coping with the impacts of climate change stood at EUR 20.2billion in 2016 (out of which EUR 2.7 billion from the EU budget and the European Development Fund, and EUR 1.9 billion from the European Investment Bank).8 Under the Partnership Instrument9, the EU continued to adopt new climate actions with ***strategic*** partners such as China, Brazil, Mexico and South Korea. These actions underpin the leading global role of the EU in addressing climate change and supporting the transition towards low carbon economies. Farmer field schools in Malawi To tackle climate change in Malawi and promote a resilient ***agriculture***, the GCCA+ developed the Farmer Field Schools to enhance sustainable ***agriculture***. Using the ‘learning by doing’ approach farmers have learnt to enhance and diversify their productivity; reduced land degradation, and integrated social activities to ensure cohesion. The project benefits 43 000 vulnerable people in 7 200 households across four districts. The European Commission is working to improve access to reliable and sustainable sources of energy as a “green” engine for growth. Through commitments made in 2016, the European Commission aims to improve access to energy for 40 million people globally (30 million in Africa), increase renewable energies by six and a half gigawatts (GW) globally and five GW in Africa, and save 15 million tonnes globally (11 tonnes in Africa) of carbon dioxide emissions annually by 2020. Human Rights and Good Governance In 2016 the EU undertook human rights dialogues and consultations with 43 partner countries and regional groupings and continued supporting human rights civil society organisations and human rights defenders. A new multi-sector approach was introduced to fight corruption. This will further strengthen connexions across a wide array of sectors (justice, public administration reform, security sector reform, improvement of the business environment and customs reform) and actors exercising some 8   [*http://www.consilium.europa.eu/en/press/press-releases/2017/10/17/climate-finance-eu/*](http://www.consilium.europa.eu/en/press/press-releases/2017/10/17/climate-finance-eu/) 9   [*http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0234*](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0234) 4 form of oversight and control function (civil society, media, whistle-blowers, Supreme Audit Institutions, and Parliaments). Good governance in Benin Based on recommendations by Transparency International, the Good Governance and Development Contract for Benin launched by the European Commission in 2016 brings under one roof support to Public Financial Management (PFM), justice and the private sector to help improve Benin's overall integrity mechanisms. Supporting partner countries in their transformation of security systems is a key element for improving governance. Upholding fundamental freedoms and assessing in a participatory way the security needs of different groups, including the most vulnerable, are among the key objectives of the new EU-wide ***strategic*** framework to support Security Sector Reform (SSR)10. Financing for development In addition to sound policies, major investments will be needed to meet the SDGs, in particular in developing countries. ODA in the form of grants remains essential, but must be complemented with other tools and sources of finance such as domestic resource mobilisation or private investments. The implementation of the innovative action agenda agreed upon in 2015 at the Third International Conference on Financing for Development in Addis Ababa11 that addresses all sources of finance, and covers cooperation on a range of issues including technology, science, innovation, trade and capacity building was taken forward in 2016. The proposed European External Investment ***Plan*** (EIP)12 is a clear illustration of the EU’s strong commitment to deliver on this agenda. The EIP enacts the agenda's new philosophy on broad means of implementation to achieve the SDGs. The new European Fund for Sustainable Development will be the EU's main tool to attract private and public investments to poor and fragile countries. It represents a new integrated way of working with the EU’s partner countries, Member States, international financial institutions, other donors and the private sector to improve investment in Africa and the EU Neighbourhood to promote decent job creation, sustainable development and tackle the root causes of irregular migration and forced displacement. 10 JOIN(2016) 31 final, 5.7.2016 11   [*https://www.un.org/esa/ffd/ffd3/*](https://www.un.org/esa/ffd/ffd3/) 12 Commission Communication COM(2016) 581final;   [*http://europa.eu/rapid/press-release\_MEMO-16-3006\_en.htm*](http://europa.eu/rapid/press-release_MEMO-16-3006_en.htm) 5 2. Global impact Migration and mobility In 2016, the EU stepped up efforts to deliver on its commitments on migration and mobility in line with the 2015 European Agenda on Migration13. The European Commission services responded to the immediate situations created by large-scale influx of refugees and migrants, while also addressing the root causes of migration. Tackling the longer-term challenges – and opportunities – of migration and forced displacement is an integral part of the EU’s integrated development policy and cooperation. To address the challenges brought about by rising numbers of migrants and refugees, risking their lives to reach Europe, the EU took a series of measures. Following the EU-Turkey Statement of 18 March 201614 and the effective closure of the Western Balkans route, migrant crossings and lives lost were significantly reduced. Despite those efforts, 2016 saw the greatest loss of lives so far in terms of migrants and refugees en route to Europe, with deaths on the Central Mediterranean route from Libya rising rapidly. The EU increased its support and dialogue with all stakeholders active on migration issues in Libya, with a view to improving the management of migration flows. The new results-oriented Partnership Framework15 was launched in June 2016, establishing a new EU approach on migration by reinforcing cooperation with its priority partner countries. Combining immediate and longer-term measures, the framework aims to save lives, combat smuggling and trafficking, and address the root causes of irregular migration and forced displacement. In April 2016, the European Commission published its Communication 'Lives in Dignity: from Aid-dependence to Self-reliance; Forced Displacement and Development'16, reinforcing the EU's development-oriented approach on forced displacement. This policy framework, which includes support to both displaced populations and host communities, represented an important EU contribution to the World Humanitarian Summit that took place in May 2016 and guides the EU’s financial assistance on forced displacement. In terms of financial assistance, and due to the rapidly evolving migration situation described above, the EU funding was quickly mobilised, including the EUR 3 billion contribution by the EU and its Member States coordinated through the EU Facility for Refugees in Turkey17, and the EU Regional Trust Fund in response to the Syrian crisis18. At the end of 2016, two EU Compacts with Jordan and Lebanon were also set-up, helping to provide education and employment for those displaced due to the Syrian crisis in their host communities. Better Migration Management ***Programme*** The Better Migration Management (BMM) ***Programme*** under the Horn of Africa window of the EU Trust Fund for Africa aims at better management of migration at the regional level. This is achieved through capacity building ***programmes*** and the provision of equipment to government institutions engaged in the Khartoum Process (a continuous dialogue for enhanced cooperation on migration and mobility). Support is provided to help generate and use statistical data on migration, investigate, prosecute and bring to trial cases of trafficking and smuggling, or to improve border management. Assistance is also provided to develop policies on trafficking and smuggling, ensure the protection of 13 COM(2015) 240 final, 13.5.2015 14   [*http://www.consilium.europa.eu/en/press/press-releases/2016/03/18-eu-turkey-statement/*](http://www.consilium.europa.eu/en/press/press-releases/2016/03/18-eu-turkey-statement/) 15 COM(2016) 385 final, 7.6.2016 16 COM(2016) 234 final, 26.4.2016 17 Commission Decision C(2015)9500 18 Commission Decision C(2014)9614 6 victims, and raise awareness of the perils of irregular migration, as well as options for legal migration and mobility. Established in November 2015, the EU Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa19 provides a new implementing tool to tackle the root causes of irregular migration. It allows the EU to be more coordinated, flexible and responsive to the real needs on the ground than ever before. In its first full year of operation, the Trust Fund for Africa enabled the approval of over 100 projects for over EUR 1.5 billion. Security and Development nexus The EU’s Instrument contributing to Stability and Peace (IcSP) addresses security related crisis response needs as a prerequisite for development cooperation. Actions financed under the IcSP promote security through support to mediation, peacebuilding, immediate delivery of peace dividends, combatting arms-trafficking, support to the security sector, and other related actions. In July 2016, an amendment to the IcSP was proposed to allow the EU to extend its assistance under IcSP to include the financing of capacity building for security and development (CBSD) with an increased focus on the security-development nexus in the design of its ***programmes***.20 The amendment would allow the EU to provide training and mentoring, non-lethal equipment and infrastructure improvements, and support, under exceptional circumstances, to the military actors of partner countries in the context of a wider security sector reform process or capacity building in support of development and security for development. This is in line with the overarching objective of sustainable development and where there is a consensus between the European Union and the partner country concerned that this approach is essential for preserving or re-establishing the conditions necessary for sustainable development, including in crises and fragile and destabilised contexts. Humanitarian aid and Development nexus The EU attaches great importance to the link between humanitarian aid, required as an immediate response to crisis situations, and more medium and long-term development action. The humanitarian aid-development nexus is complex and requires increased coordination. The common humanitarian aid-development agenda has long been referred to as Linking Relief, Rehabilitation and Development (LRRD) and represents a major aim of international assistance. The need to further invest in this approach was reaffirmed in the Council Conclusions of 12 May 2016 on the World Humanitarian Summit21. For example, to address the challenge of the post Da’esh stabilisation in Iraq there needs to be a swift coordinated response. For this reason, the European Commission has coordinated humanitarian and development actions to take long term development into consideration early in the process and the European Commission services have jointly prepared a Comprehensive ***Plan*** of Action integrating all activities and ***plans*** in a LRRD concept, with the intention of further close ***programming*** with Member States and other like-minded donors. 19 Commission Decision C(2015)7293 20 COM(2016)447 final/2 5.7.2016 21   [*http://www.consilium.europa.eu/en/meetings/fac/2016/05/12/*](http://www.consilium.europa.eu/en/meetings/fac/2016/05/12/) 7 3. Accountability and results The European Commission regularly monitors and reports on the results of EU-funded actions across the world by means of the EU International Cooperation and Development Results Framework. The following are a selection of global results attributable to EU-funded projects and ***programmes*** that ended between mid-2015 and mid-2016. EU action – Key Results in 2016 Good Governance 923 000 people benefited directly from legal aid ***programmes***, central to ensuring equality before the law by providing the right to counsel and the right to a fair trial. Conflict Prevention, Peace Building and Security 314 000 people benefited directly from ***programmes*** that specifically aimed to support civilian post-conflict peace building and/or conflict prevention. Sustainable ***Agriculture***, Food Security and Nutrition 1 118 000 people received rural advisory services to add value to their ***produce*** and improve the links between farmers and markets. Energy22 1 103 000 people were provided with access to sustainable energy services. Education 84 000 teachers were trained, providing a foundation for future learning and skills. Health 165 000 000 insecticide-treated bed nets were distributed, to prevent the spread of malaria.23 Natural Resources, Environment and Climate Change 12 694 000 hectares of protected areas were managed, to help ensure biological diversity and to preserve natural heritage. Transport 4 100 km of roads were constructed, rehabilitated or maintained to provide better access to transportation, particularly for the most disadvantaged groups. Employment and Social Protection 198 000 people benefited from Vocational and Educational Training (VET)/skills development and other active labour market ***programmes*** intended to improve employability, productivity and competitiveness in partner countries. Trade and Private Sector Development 13 000 firms gained access to credit, to help them avoid risks and make investments. 22 Does not include results from blending investments 23 The EU ongoing support to the Global Fund to Fight AIDS, Tuberculosis and Malaria contributed to these results. 8 4. Global reach In Africa In April 2016, the African Union Commission and European Commission met in Addis Ababa to discuss priority areas of the Joint Africa-EU Strategy (JAES)24 including migration, peace, security and sustainable growth. Strengthening this ***strategic*** Africa-EU Partnership was a key political and cooperation priority in 2016 and the EU continued its efforts to boost sustainable and inclusive growth across Africa. The Joint Communication 'A renewed partnership with the countries of Africa, Caribbean and Pacific'25 outlined a vision that aims to transform the partnership into a stronger alliance that can effectively contribute to building peaceful, stable, prosperous and resilient states and societies across the continent. EU cooperation with Africa in the area of peace and security significantly increased in 2016 with substantial support provided under the African Peace Facility (APF) to reinforce the African Peace and Security Architecture and to finance African-led Peace Support Operations, such as the Multinational Joint Task Force against Boko Haram (MNJTF). MIKES combat poaching The Minimising the Illegal Killing of Elephants and other Endangered Species (MIKES) project aims to generate reliable and impartial data on the status and threats to key endangered species in Africa, the Caribbean and the Pacific, help improve law enforcement to combat wildlife poaching and trafficking, and establish an emergency response system for sudden increases in illegal killing and trade. Photo credit: APN Michael Lorentz EU Trust Fund for Africa in Action: The Sahel and Lake Chad By the end of 2016, 65 projects amounting to EUR 918.5 million had been approved under the Sahel and Lake Chad window of the EU Trust Fund for Africa covering important countries of origin and transit for migration including Mali, Niger, Nigeria and Senegal. Projects include enhancing the resilience of the most vulnerable groups in the countries of origin, fostering youth employment, private sector development and entrepreneurship, supporting the work of civil society in combating radicalisation, as well as food and nutrition security, health and education services, and social protection. In the Enlargement region The European Commission continued to implement its medium-term enlargement strategy, as set out in the Communication on EU Enlargement policy adopted in November 201626. Strong focus remains on the principle of 'fundamentals first' in the accession process within which the rule of law, fundamental rights, strengthening democratic institutions, including public administration reform, as well as economic development and competitiveness are core issues. 24   [*https://ec.europa.eu/europeaid/regions/africa/continental-cooperation/joint-africa-eu-strategy\_en*](https://ec.europa.eu/europeaid/regions/africa/continental-cooperation/joint-africa-eu-strategy_en) 25 JOIN(2016) 52 final, 22.11.2016 26 COM(2016) 715, 9.11.2016 9 In the European Neighbourhood 2016 saw the roll-out of the revised European Neighbourhood Policy (ENP)27. The ENP puts stabilisation in the EU’s neighbouring countries as an important EU political priority. Over the past year, the EU has intensified its relations with ENP countries by launching negotiations on Partnership Priorities both in the East and in the South. Relations with Ukraine, Georgia and Moldova were taken forward through the continued implementation of the respective Association Agreements. In 2016, the European Union continued its policy dialogue with the Union for the Mediterranean to promote regional cooperation in the South. The EU Regional Trust Fund in Response to the Syrian Crisis was established in December 2014 to enable a coherent and integrated EU aid response to the crisis. The fund’s initial geographical focus was on Syria's neighbouring countries: Jordan, Lebanon and Turkey, but was expanded to Iraq in 2015, and to the Western Balkans as other non-EU countries affected by the refugee crisis. By the end of 2016, the EU Regional Trust Fund in Response to the Syrian Crisis had mobilised EUR 932 million in agreed contributions, of which EUR 815 million was from the EU Budget, with contributions from Member States amounting to EUR 92 million and EUR 24 million from Turkey. The EU Regional Trust Fund in Response to the Syrian Crisis in Action: Health, livelihoods and capacity building A EUR 53 million flagship ***programme*** in five countries with the Red Cross/ Red Crescent (RCRC) is benefitting at least 700 000 refugees in Turkey, Lebanon, Northern Iraq, Jordan and Egypt, with targeted projects on livelihoods, health and capacity-building. In Asia, Central Asia and the Pacific In 2016, the Global Strategy gave a further boost to the EU’s engagement with Asia. The Global Strategy recognises Europe's historical ties with Asia and the direct connection between European prosperity and Asian security. Deepening EU-Asia security cooperation, including on counter-terrorism, and improving EU-Asia connectivity are priority areas. The EU continued its efforts to increase engagement with major non-EU providers of assistance against the backdrop of the UN 2030 Agenda and during 2016 ***strategic*** partnerships were strengthened through successful summits with India, China and Japan. The EU sustained support to state-building and reconciliation in Asia, such as in Afghanistan, Myanmar and Nepal. The EU hosted the very successful Brussels Conference on Afghanistan in October 2016, with pledges of more than EUR 13 billion made. Combatting the effects of El Niño During 2016, almost EUR 550 million was provided to people suffering the devastating consequences of the extreme El Niño weather event in that year. As well as addressing the immediate threat of hunger and drought, the funding also took measures to strengthen long-term resilience and increase food security. In Latin America and the Caribbean 27   [*http://europa.eu/rapid/press-release\_IP-17-1334\_en.htm*](http://europa.eu/rapid/press-release_IP-17-1334_en.htm) 10 In 2016 a peace agreement between the Colombian Government and the FARC put an end to the longest-ever internal conflict in the world's history. During 50 years of violence over 200 000 people have died and over five million more have been forced to flee their homes. The EU played a key role in brokering the agreement and in December a new European Trust Fund for Colombia was initiated, involving a record 19 Member States28. Building on previous successful Trust Fund models, this initiative allows for the pooling of resources, expertise and actions, and enables more targeted, coordinated and responsive actions to support the peace process and give new hope to the people of Colombia. Alternative Development in Peru In Peru, the Alternative Development ***Programme*** in Satipo (DAS) is a bilateral ***programme*** financed by the EU and the Peruvian Government in the Peruvian Amazon to help reduce poverty, promote social integration and prevent the illegal production of coca leaves. The ***programme*** supports local ***producers*** to cultivate alternative products, such as coffee and cocoa, and has already facilitated their access to national and international markets, improving income levels. This is complemented by a ***programme*** to allocate land titles, benefitting future generations of ***agricultural*** entrepreneurs. 28 Croatia, Czech Republic, Cyprus, France, Germany, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Spain, Sweden, the United Kingdom, Slovakia, and Slovenia

**Load-Date:** April 3, 2018

**End of Document**



[***Register of Commission documents: Annex Document date: 2017-06-20 COM-AC\_DR(2017)D051652-02(ANN01) Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P2N-7J01-JDG9-Y1H8-00000-00&context=1516831)

Impact News Service

July 13, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 15088 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

Annex

of the Commission Implementing Decision on Special Measure I 2017 on Support to Key Reforms in favour of Ukraine

Action Document for the Technical Cooperation Facility 2017

Summary

This Action aims at supporting Ukraine in designing and implementing the EU-Ukraine Association Agreement (AA), including a Deep and Comprehensive Free Trade Area (DCFTA), and key reforms stemming from it as well as from other bilateral agreements.

|  |
| --- |
| Information for Potential Grant Applicants Work ***Programme*** for Grants This document constitutes the work ***programme*** for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.3.1    Grants: call for proposals Twinning for the National Standards Body (direct management) and in the following sections concerning grants awarded directly without a call for proposals: 5.3.2 Grant: direct award for participation of Ukraine in the EU ***Programme*** COSME (direct management) 5.3.3 Grant: direct award for 'Upgrading Capacity for Transparent Land Governance in Ukraine' (direct management) |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1. Title/basic act/ CRIS number | Technical Cooperation Facility 2017 CRIS number: ENI/2017/040-378, financed under the European Neighbourhood Instrument |  |  |  |  |
|  | 2. Zone benefiting from the action/location | Neighbourhood East The action shall be carried out at the following location: Ukraine |  |  |  |  |
|  | 3. ***Programming*** document | Not available (Special Measure) |  |  |  |  |
|  | 4. Sector of concentration/ thematic area | Multi: Culture, Transport, Public Administration Reform, Private Sector Development, ***Agriculture***, Health, Energy, Good  governance, Gender. | DEV. Aid: YES |  |  |  |
|  | 5. Amounts concerned | Total estimated cost: EUR 38 063 000 Total amount of EU budget contribution:  EUR 37 000 000 This action is co-financed in  joint co-financing by: British Council  for an amount of EUR 63 000   This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 1 000 000 |  |  |  |  |
|  | 6. Aid modality(ies) and implementation modality(ies) | Project Modality   Direct management Grants ? call for proposal for Twinning Grants ? direct award Procurement of services and supplies Indirect management with British Council Indirect management with United Nations Development ***Programme*** (UNDP) Indirect management with European  Bank for Reconstruction |  |  |  |  |
|  | 7 a) DAC code(s) | 15110 - Public Sector Policy and Administrative Management |  |  |  |  |
|  | b) Main Delivery   Channel |  |  |  |  |  |
| 8. Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |  |  |
| Participation development/good governance | ? | X | ? |  |  |  |
| Aid to environment | X | ? | ? |  |  |  |
| Gender equality (including Women In Development) | ? | X | ? |  |  |  |
| Trade Development | ? | X | ? |  |  |  |
| Reproductive, Maternal, New born and child health | X | ? | ? |  |  |  |
| RIO Convention markers | Not targeted | Significant objective | Main objective |  |  |  |
| Biological diversity | X | ? | ? |  |  |  |
| Combat desertification | X | ? | ? |  |  |  |
| Climate change mitigation | X | ? | ? |  |  |  |
| Climate change adaptation | X | ? | ? |  |  |  |
|  | 9. Global Public Goods and Challenges (GPGC) thematic flagships | N/A |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

The action will provide policy advice, advice on legal approximation process with the EU, and capacity building in priority areas covered by the EU-Ukraine Association Agreement. Particular attention will be paid to: Culture, Transport, Public Administration Reform, Private Sector Development, ***Agriculture***, Land, Health, Energy, Good governance and Gender.

* Context

1.1 Sector/Country/Regional context/Thematic area 1.1.1 Public Policy Assessment and EU Policy Framework

The EU-Ukraine Association Agreement (AA), which includes a Deep and Comprehensive Free Trade Area (DCFTA), was signed on 21 March 2014 in Brussels. On 16 September 2014, the AA was simultaneously ratified by the European Parliament and the Verkhovna Rada of Ukraine.

As of 1 November 2014, AA provisions in areas including the respect for human rights, fundamental freedoms and rule of law; political dialogue and reform; justice, freedom and security; economic and financial cooperation are provisionally applied. Provisional application of the DCFTA part of the Agreement entered into force on 1 January 2016.

The Association Agreement will continue to be a key instrument for carrying out the much-needed reforms in Ukraine in the years to come, underpinned by the EU's support.

Key ***strategic*** documents - Coalition agreement, ‘Strategy for Sustainable Development: Ukraine 2020’ (02.01.15), Government of Ukraine’s ***Programme*** (14.04.16), ***Plan*** of Priority Actions of the Government of Ukraine for 2016 (27.05.16), were approved with commitments to the reform agenda, guided by the AA/DCFTA. The same commitments have been incorporated to the draft of Medium-Term Development ***Plan*** till 2020, presented by the Government of Ukraine at the end of the 2016. The ***plan*** is based on five key priorities and contains 85 activities of the Government through 2017-2020, which aim at implementing coherent and comprehensive reforms. The main priorities are as follows: economic growth, effective governance, human capital development, deregulation, establishment of the rule of law and fight against corruption and security and defence.

Implementation of the AA was supported in 2016 by the establishment of the necessary cooperation structures and their associated mechanisms. The Action ***Plan*** for the AA Implementation in 2014–2017 (Resolution № 847) and Action ***Plan*** for the DCFTA implementation in 2016-2019 (updates of 74-176 points of № 847) are being implemented. A public discussion of the new Sectoral part of Action ***Plan*** (updates of 177 – 473 points of № 847) was launched by the Government Office for European Integration based on the results of work done in 2014-2016. The related draft of the Governmental decision was agreed with the Ministries by the end of 2016.

  1.1.2 Stakeholder analysis

The key stakeholders will be the concerned ministries and other central executive bodies, relevant civil society groups and also, though indirectly, the donor community. This action will primarily impact on the public authorities in the areas covered by the AA and the DCFTA.

Given indicative thematic priorities of this action the following Ukrainian stakeholders will play a major role in the action's implementation process:

|  | **Sector** | **Stakeholders** |
| --- | --- | --- |
| 1 | Culture | Ministry of Culture Cultural actors |
| 2 | Good Governance | Ukrainian Parliament |
| 3 | SMES, Private Sector Development | Ministry of Economic Development and Trade Ministry of Finance |
| 4 | Trade | Ministry of Economic Development and Trade Ministry of Finance National Standardisation Body |
| 5 | ***Agriculture***/Food Safety | Ministry of Agrarian Policy and Food (MAPF) State Service of Ukraine for Food Safety and consumer Protection (SSUFSCP) |
| 6 | Health | Ministry of Health Public Health Center |
| 7+8 | Transport | Ministry of Infrastructure of Ukraine State Aviation Administration of Ukraine |
| 9 | Energy security | Ministry of Ecology and Natural Resources of Ukraine Verkhovna Rada of Ukraine; Ministry of Energy and Coal Industry of Ukraine; State Geological Service of Ukraine; American Chamber of Commerce and interested EU gas and oil ***producers***; Association of Gas ***Producers***; NAK Naftogaz; UkrGazVydobuvannya. |
| 10 | Rule of Law-Anticorruption- Integrated Border Management | State Border Guards |
| 11 | Gender | Multi (public administration bodies) |
| 12+13 | Public Administration Reform ? Support to the reform architecture and  forming a professional corps of civil servants (languages courses) | Multi (public administration bodies subject to reform) National Reform Council Business Ombudsman |
| 14 | Land reform | The State Service of Ukraine for Geodesy, Cartography and Cadastre and its State Land Cadastre Centre (State Goecadastre) Ministry of Agrarian Policy and Food (MoAPF) Target rayon and oblast administration. |

  1.1.3 Priority areas for support/problem analysis

This action in particular will ensure further support with regard to policy development and implementation, legal approximation process with the EU and capacity building measures in the following priority areas:

* Culture mobility and promotion of common values of respect for democratic principles, the rule of law, good governance, human rights and fundamental freedoms;

1. Good governance, including the good functioning of the Ukrainian Parliament;
2. Economic development including  the facilitation of Ukraine participation in related EU ***programmes*** , food safety and trade facilitation;
3. Social reforms,  including health;
4. Transport, including  air and in land waterway transport;
5. Energy security;
6. Rule of law, anticorruption, integrated border management;
7. Gender equality;
8. Public Administration Reform – Support to the reform architecture, including languages skills for civil servants;
9. Land reform.

 .

Background information and problem analysis related to the above mentioned priority areas are provided in the sub-sections below:

Cultural mobility, creative industries and promotion of EU values

In June 2016, the European Commission and the EU High Representative for Foreign Affairs and Security Policy presented the 'Strategy for international cultural relations' to  encourage cultural cooperation between the EU and its partner countries and to promote a global order based on peace, the rule of law, freedom of expression, mutual understanding and respect for fundamental values.

Ukraine’s cultural community requires specific capacity building and network development support to better access current EU cultural cooperation ***programmes*** in Ukraine and in the EU.  Though Ukraine joined Creative Europe ***programme*** in 2015, Ukrainian cultural operators lack capacities to enjoy the opportunities provided by the competitions within the ***programme***. Further skills development is required by the Ukrainian actors of the emerging cultural industries, which currently constitute between 4.2% and 4.4% of the EU’s GDP. Open dialogue and strengthening of common values will contribute to the inclusiveness of the society in Ukraine, both through external and internal exchanges, joint EU-Ukraine and East-West of Ukraine initiatives.

Good governance, including the good functioning of the Ukrainian Parliament

The Ukrainian Parliament continues to function on an ad hoc “crisis solving” basis, managing a heavy workload while trying to respond to actual and emerging legislative priorities. The culture of parliamentary debate is still to be developed, and the conduct of parliamentarians on the parliament's floor is frequently subjected to criticism by the media and the public, undermining the public perception of the democratic process.

Parliament experienced difficulty in drafting laws of good quality. Stress is usually made on the adoption of a bills at all rate, without paying much attention to gaps, transition or regulatory, financial, social or environmental impact, not to mention compatibility with the declared goal of EU harmonisation. This situation is not helped by line Ministries, which sometimes carry out their respective legislative initiatives from the concept stage to consideration in Parliament in a hasty manner, without due respect for the Government’s book of procedures.

Another overall problem is the lack of coordination of the legislative agenda which results in multiple uncoordinated proposals. Parliamentarians remain the key source of legislative initiatives, contrary to the normal practice in EU parliaments. Alternative drafts or out-of-control, controversial amendments continue to distort and burden the legislative process, leading even to delays in the implementation of the Association Agreement.

The procedures and structures of the Parliament Secretariat need profound renovation. Due to the civil servant status of its staff (entailing low remuneration), the Secretariat still holds ‘old school’ cadres with low analytical and administrative skills, and no appetite for modernising practices.

Private sector development-SMEs

In May 2016 the EU and Ukraine signed an Agreement on the participation of Ukraine in the Union ***Programme*** 'Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)'.  The Agreement was ratified by the Ukrainian government on 22 February 2017. Given the expected benefits for the Ukrainian SMEs sector and economy in general from Ukraine's participation in COSME, it is proposed to reimburse up to 50% of the corresponding Ukraine's yearly participation fee over a period of four years (2017-2020).

Trade - National Standards Body

In the Association Agreement, Ukraine took decision to gradually achieve conformity with the EU in standardisation.

The Law on Standardisation on 3 January 2015 abolished the compulsory nature of standards and stipulated for the establishment of a single National Standards Body (NSB).

The Cabinet of Ministers assigned the NSB functions to the State Enterprise “Ukrainian Scientific, Research and Training Centre on Standardisation, Certification and Quality (”UkrNDNC”), an organisation which had been actively involved in standardisation activities as the standardisation arm of the Ministry of Economy and Trade, and which was also responsible for maintaining databases of national standards and other normative documents, as well as for selling of standards.

The NSB received a difficult heritage, including financial problems, non-core assets and activities and 'old-fashioned' staff resisting changes. Since mid-2015 the operations of NSB have straightened out: the Supervisory Board and the Appeals Committee have been established; the new organisation structure has been developed and approved, basic standards governing the standardisation activities have been developed, the none-core activities and assets are being dropped, and through the marketing of its products (standards and publications), the NSB has managed to solve its financial problems.

The NSB has been officially listed as the Ukrainian ISO member and the Ukrainian National Electro-technical Committee (UkrNEC) member of IEC (International Electro-technical Committee).

The NSB has been  listed as the Ukrainian authority in the latest publication of the list of National Standards Bodies signatory to the WTO Code of good practice for Standardization (December 2015).

The management of NSB is highly interested in cooperation with its peers in the EU and considers Twinning as the best modality to further develop the organisation.

Food Safety / veterinary, animal health and welfare

The AA contains an ambitious ***programme*** for the adoption by Ukraine of a significant part of the EU's legislative framework, particularly for the Sanitary and Phyto-sanitary (SPS) measures listed in the chapter IV. In accordance with the provisions of Article 64 of the Association Agreement, the EU and Ukraine have agreed in June 2016 on a comprehensive SPS Strategy, i.e a list of legislative texts that Ukraine undertakes to integrate into its Regulatory framework, according to an annual ***programme*** up to 2021.

A new State Service of Ukraine for Food Safety and Consumer Protection (SSUFSCP) replaces several of the previous agencies with overlapping responsibilities for safety of various parts of the food chain. The new agency has begun its work in April 2016 after protracted discussions over functions, budget, and administrative location. It is responsible for the implementation of this strategy, which consists of 269 legislative acts of which 96 should have been adapted before the end of 2016, and 91 before the end of 2017. The scope of the task to be fulfilled by Ukraine is very close to that provided by new Member States in their accession process.

The approximation process is viewed with great attention by Member States and stakeholders in the ***agricultural*** sector. Particularly in view of Ukraine’s commitment to rapidly adopt EU standards as a pre-condition for the bilateral trade liberalisation provided by the DCFTA. Recurring criticism is being voiced about the 'unfair competition' of imports from Ukraine for sensitive products such as poultry, and about the unwillingness of Ukraine to eliminate regulatory provisions hampering European exports. Support of the drafting and ensuring EU compliance of relevant UA legislation through the legislative process in Ukraine is therefore crucial.

The action  proposed will  support Ukraine in drafting SPS legislation as stipulated in the AA, follow up on the legislative process, beyond the animal health sector, coordination and respect of timeframes, and  ensuring  EU compliance checks. Furthermore, institutional restructuring is also covered by the action.

Public Health

Ukraine health system has further deteriorated during the past years. Ukraine shows some of the worst health indicators in the European continent and the health system is not able to perform basic functions to protect the population and meet its international commitments, for example, to ensure surveillance of infectious diseases, safe blood for transfusions, vaccinate children, provide treatment for HIV/AIDS and tuberculosis, respond to health emergencies and outbreaks of infectious diseases, etc. This system failure is also posing a threat to EU Member States given the risk of spread of diseases.

Public Health includes essential functions and areas such as epidemiological surveillance, immunization ***programs***, emergency preparedness ***plans***, disaster response, refugee health, environmental health, information, education and public awareness, preventive medicine, 'community health' issues, the organization of a safe blood system (and other systems for substances of human origin), etc. and refers to the action performed by public safety agencies, healthcare providers (for vaccinations campaigns, for example), education centers, local authorities, NGOs, private organizations, communities. To coordinate and enforce these functions, most countries, even in developing regions, have put in place a robust and authoritative national Public Health agency that is scientifically independent but reporting to the Ministry of Health. Such a system does not exist in Ukraine and only fragmented parts of it are still working, often in an inefficient mode.

The Ministry of Health launched important reform initiatives and by now, some modest but relevant and important steps have been made in implementation:  the on-going reform of the procurement system inside the Ministry of Health , the creation of the National Public Health Centre and the adoption of a policy reform of Public Health, the finalization of the reform strategy for the Blood Safety system, first steps in the reform of the Pharmaceutical sector, reform of the Health financing system and the set-up of the purchasing agency, Primary Health Care, etc. The new leadership of the Ministry of Health, has shown determination to proceed with difficult reforms and reinvigorated some ambitious ***plans*** of the predecessors. The creation of a modern system of Public Health and blood safety has been confirmed as a major priority.

Transport, including aviation and inland waterway transport

The transport sector is important in Ukraine’s economy and has substantial potential to improve aggregate productivity and regional competitiveness. The main problems of the sector (aviation excluded) remain the obsolescence of the infrastructure and of the rolling stock, mixed with an outdated legal framework.

On aviation transport, in addition to the Association Agreement, the Common Aviation Area Agreement (CAA Agreement) was initialled in 2013. The CAA Agreement aims at liberalising the air services market between EU and Ukraine, improving the related business environment and promoting regulatory approximation of Ukrainian aviation legislation towards the European one. It foresees consecutive recognition of Ukrainian certificates in the domains of air crew and Air Traffic Management and Air Navigation Services (ATM/ANS) (by the end of the second transitional period), while no such recognition is envisaged in flight operations, initial and continuing airworthiness domains.

In terms of preparation for the comprehensive CAA Agreement implementation, once signed, Ukraine has made some progress in the adaptation process of its aviation legislation,.

However additional work should be undertaken by Ukraine on the following areas: i) to ensure the sustainable development of civil aviation and the civil aviation administration system; ii) to harmonise regulations and working practices to comply with the requirements of the EU norms and standards in the field of aviation safety;  and iii) to facilitate preparations for the implementation of the respective provisions stemming from the CAA Agreement between the EU and Ukraine, the Working Arrangement (WA) between the State Aviation Administration of Ukraine (SAAU) and the European Aviation Safety Agency (EASA).

On inland waterway transport, Ukraine possesses a rather high river navigable potential, with the length of waterways suitable for operation making about 6.2 thousand km.

Having signed the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand (hereinafter referred to as the EU Association Agreement) in 2014, Ukraine undertook a number of commitments regarding the development of the inland waterway transport, in particular, to elaborate, in cooperation with the EU, a strategy for the development of the river transport within the national transport policy; to include the river transport in the multimodal transport system and into the network of priority transportation routes, taking into account the support for implementing the governmental policy on development of Ukraine as transit state, and aligning the national legislation with the EU laws in the field of inland waterway transport.

To implement the Ukraine – EU Association Agreement the Cabinet of Ministers of Ukraine adopted ***plans*** for implementing these directives and regulations in 2014 – 2015, and the Ministry of Infrastructure of Ukraine developed roadmaps for all transport subsectors, including inland waterway transport.

In light of the potential for growing demand for inland water transport and its importance to the nation’s commerce and economic growth, the Government of Ukraine (GoU) for the Dnieper has supported a Dnieper Development Initiative, aimed at intensifying the dialogue with the donors and stakeholders.

Energy security

The AA envisages the priority for Ukraine to increase the energy security, encouraging preconditions to radically reform in the oil & gas sector to make it more efficient,  more attractive for both the State and investors, and to develop competitive, transparent and non-discriminatory energy markets.  The Ukrainian legislation governing access and extraction of gas and oil is discrete and outdated and its provisions are usually conflicting. Numerous amendments to the Procedure for granting special permits for subsoil usage can be an example of an unsystematic and outdated approach.

The current legislation is not able to attract new investments and blocks development of Ukraine’s potential in exploration and production of hydrocarbons (as well as other natural resources).

The subsoil usage system needs systematisation and codification. This can take place in one document – Subsoil Code. Moreover, it shall be based on the best practices in the EU Member States and where relevant in line with EU acquis (e.g on environment).

The relevance an action in this sector is determined by the following arguments: i) The reforms in the energy sector and in particular in the oil and gas area will only be possible by establishing of the new subsoil use system;  ii) The key element of subsoil use system is the new Subsoil Code; iii) Having a new Subsoil Code in place would allow establishing clear and transparent rules that in turn would allow to ensure  competitive and broad access to procedures for granting licences and in affect attract  new investments.

Rule of Law/Anticorruption including integrated border management

A substantial upgrade of border management capacity in Ukraine is in the interest of both Ukraine and the EU. It appears that State Border Guards have ad hoc approaches for each neighbouring nations segment of the border, and  a depth assessment of strategies and practices will be needed before EU step ups its assistance in this area.  The current action proposed includes such assessment in order to design a future EU large action  to assist Ukraine in implementing Integrated Border Management, including inter-agency co-operation, risk analysis, access to international databases (Interpol) surveillance and reaction capacity, inland detection, safe and quick border checks, anti-corruption measures, equipment upgrade, document security,  and respect for human rights of migrants.

Gender equality

Ukraine occupies place 69/144 on the global gender gap index. Gender-based and domestic violence remain widespread and underreported problems.

According to the UN Population Fund (UNFPA), violence against women increased from 18 to 22 percent between 2007 and 2014. At the same time, the percentage of victims seeking relief declined (from 38 percent to 32 percent) and one third of women seeking relief reported not having received it.

Gender-based violence, especially in a domestic context, often goes underreported which is partly caused by mistrust in authorities and the taboo surrounding the subject.  The armed conflict in the East aggravates the situation and puts women and girls in the conflict zone, internally displaced women and girls, families of combatants and those close to them, as well as combatants and other persons directly concerned by the conflict (e.g medical personnel) at risk of increased gender-based violence and human trafficking. At the same time, it also increases the risk for further underreporting in cases where gender-based and/or domestic violence is perpetrated by combatants who are generally portrayed as national heroes. Another negative effect of the conflict is that the social service structures are overburdened and underfunded. Finally, these problems are embedded in a general lack of awareness of gender inequality in society and everyday life.

Ukraine’s legislative framework on these issues is insufficient and needs to be updated, including to fulfil Ukraine's obligations under the Association Agreement.

A positive development is the increased awareness and involvement of civil society which has become much more active with regard to gender equality. This has prompted a growing willingness on the side of the Ukrainian government to steer and enhance gender policy, as shown by the forthcoming nomination of a Gender Equality Commissioner and the revision and update of the national gender action ***plan***. There is not only need but also clearly a political momentum to enhance gender equality work in Ukraine.

Public administration Reform – Support to the reform architecture

The EBRD-Ukraine Stabilisation and Sustainable Growth Multi-Donor Account’s (MDA) addresses the country's urgent needs as regards support for the design and implementation of policy reforms and institutional capacity building, as well as investments. The MDA was established in July 2014 and has so far received over EUR 22 million in contributions.

Recognizing that reforms, strengthening the administration and reining in corruption are critical to Ukraine’s recovery and sustainability, the EBRD and contributing partners have committed to supporting the government’s reform agenda. In this context, the MDA has been a vital source of funding of such work. The MDA focuses on the following pillars with the associated overall sectoral objectives and activities: (i) investment climate; (ii) banking sector; (iii) energy; (iv) corporate sector – turnaround and increased competitiveness; and (v) infrastructure.

In 2016 the EU decided to make a EUR 8 million contribution to the MDA (including management fees), becoming the largest current donor to the MDA, with the aim to re-enforce support on a number of ***strategic*** priorities.

Further contribution will be needed to cover needs for the upcoming years in the context of this rapid response EU donor co-funded action.

Public administration Reform – forming a professional corps of civil servants

Renewal and improvement in management of human resources for public service is widely recognized as a crucial step to make Ukraine a modern and transparent State run by an efficient and effective public service. The new civil service law adopted in May 2016 and adoption of the 2016-2020 Public Administration Reform Strategy foresees a gradual renewal of staff and upgrade of the competencies and working conditions based on sound human resource policies and merit-based selection procedures.

The EU has been promoting injections of the young progressive professionals in the public service through dedicated support ***programmes*** for decentralization (U-LEAD), better regulation with the Ministry of Economic Development and Trade (ForBiz) and Association4U to support cross-cutting reforms and capacity building in the field of European integration and reform support teams throughout ministries. Many of the findings of these projects identified language skills as one of the most critical area/skill to be addressed on all levels in the context of the public administration reform.

Land reform

Land reform has been identified as a priority area by the Cabinet of Ministers of Ukraine in its 2016 ordinance 'On issues of policy development in some priority areas'. In December 2016, the Government of Ukraine has announced a road map for reform implementation till 2020 in which is foreseen the establishment of a land market infrastructure that would ensure protection of land-related rights and their transferability and provide for required transparency. This notably includes the upgrading of the land cadastre and registry of rights, the registration and publication of prices and other relevant market information, as well as the building of technical capacity of local governments and other stakeholders.

The approach currently proposed by the Government for implementing the land reform in the medium term will be in stages. In a first stage, it is proposed to allow the sales of land in state and communal property and of private land parcels, which were inherited or were acquired via land auctions at a price not less than the normative monetary value of land. Land transactions during this first stage will help with further price determination. In a second stage, it is proposed that turnover of land is open to all types of land plots under conditional safeguards to prevent excessive concentration and speculation. This should be further defined through the draft law on land turnover, which is currently being finalised by the Ministry of Agrarian Policy and Food (MoAPF) and will be published for public consultation in the coming months.

* Risks and Assumptions

| **Risks** | **Risk level (H/M/L)** | **Mitigating measures** |
| --- | --- | --- |
| Limited capacity of the Government to effectively perform functions of policy coordination, policy analysis (regulatory, fiscal, etc.) impact assessments, inter-ministerial coordination and public consultations. | M | Policy dialogue and assistance to ensure strengthening of policy coordination function and improve evidence-based policy and legislative development and organisation of public consultations. |
| Priorities of the Government  are not supported by sufficient budget resources leading to inability of competent state bodies to implement relevant reforms. | H | Monitoring of key focal sectors by the EU and its partners. Intensive policy dialogue in the context of public finance management. |
| Non-adoption or inconsistent legislation, as well as deviation from the declared policy objectives during actual implementation. | H | Intensive policy dialogue, especially, in the area of democratic governance and economic policy. |
| Public policy making is undermined by conflicts of interest. Quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation are weak and undermined by political influence. | H | Open and frank dialogue at all levels with Ukrainian counterparts, and indirectly through support to civil society and the media raising these issues. |
| Assumptions |  |  |
| ?         Ukraine pursues its objective of effective implementation of the EU-Ukraine Association Agreement. ?         Ukraine pursues its efforts to improve its public administration based on Principles of Public Administration and is committed to ensuring evidence-based legislative and policy development. ?         Ukraine pursues its efforts to improve its public administration based on European principles. ?         Government enhances its donor coordination effort and supports improvement of decision-making processes in line with European principles. ?         Ukraine pursues its efforts in order to reform the land sector and improve the governance of land resources through a phased-in approach. |  |  |

* Lessons learnt, complementarity and cross-cutting issues

3.1 Lessons learnt

The past EU assistance to Ukraine was often characterised by limited capacity of the beneficiary institutions in terms of ***strategic*** management, instability of senior and middle level civil servant and strong dependence of the projects' outputs on the approval of new legislation/regulations by the Government or the Parliament. Consequently, political support at a high level is a crucial trust factor for the successful implementation of assistance projects.

With regard to reform formulation and implementation process, experience shows that a lack of coordination, unclear division of tasks and insufficient budget allocations to the sector may affect greatly the progress of reforms.

A general lesson learnt, applying to all sectors, is that policy and legislative development needs be evidence-based, costed and subject to appropriate internal and external stakeholder consultations at the right time of the legislative and policy-making process. This is a key in ensuring implementation and enforcement of adopted policies and legislation.

This action will therefore promote a ***strategic*** approach to providing assistance, meaning that each assistance project shall be directly linked to clearly identified reform strategy and well-designed and budgeted implementation ***plan***.   3.2 Complementarity, synergy and donor coordination

The action will complement actions in support of preparation for the implementation of the AA launched under 2011-2015 Annual Action ***Programmes*** and Special Measures, summarised in the following table:

|  |  |  |
| --- | --- | --- |
| 2014 | 2015 | 2016 |
| State Building Contract EUR 355 million | EU4Business  (EU ? SURE) EUR 90 million | Anti-corruption EUR 15 million |
| Civil Society support EUR 10 million | U ? LEAD with Europe (Decentralisation) EUR 90 million | Public Administration Reform EUR 104 million |
|  | Technical Cooperation Facility EUR 15 million | PRAVO  (Rule of Law) EUR 52.5 million |
|  |  | Technical Cooperation Facility  EUR 28.5 million |

On donors' coordination - The existing Government-Donor coordination mechanism will be used for the overall coordination of this action. It is led by the Ministry of Economic Development and Trade (for technical assistance). Donor coordination in specific thematic areas is led by relevant state bodies.

  3.3 Cross-cutting issues

The key cross-cutting issues covered by this action are presented below:

Human rights and the rule of law are essential elements of the AA: The following two main outcomes are expected in this regard: increased knowledge of EU standards and practices will raise democratic standards, involvement of civil society organisations will be a guarantee for an efficient and stable surveillance of the reform progress in main areas covered by this action.

Policy development and coordination: this action will envisage that all legislation and policies are developed in an evidence-based and consultative process that ensures 'better regulation'.

Accountability and Integrity of public administration: this action will envisage specific measures aimed at improving transparency of public administration and at eliminating or minimising opportunities for corruption and misuse of public funds.

Other issues: in implementation of this Action attention will be paid to ensure equal opportunities, gender equality (including a full sub-action fully dedicated to this topic), and sustainable environment as appropriate.

* Description of the action

4.1 Objectives/results

Overall objective:

To effectively raise Ukrainian public authorities' capacity to implement the Association Agreement and DCFTA, including capacity to carry out legal approximation process with the EU, and design and implement reforms that are in line with them.

Specific objectives:

SO1) On culture and creative industries:

* To effectively raise the capacities of Ukrainian stakeholders to implement the relevant articles of the Association Agreement (Art. 437 – 440), subsequently contributing to the development of the cultural and creative industries sectors, supporting tolerance and internal cohesion, in Ukraine, and promotion of common values.

SO2) On good governance –good functioning of the Ukrainian Parliament:

* To provide consolidated and comprehensive technical assistance to the Parliament management and Secretariat in sustaining the reform process and gradual introduction of innovative solutions in the parliament in line with the 52 European Parliament's recommendations (needs assessment of July 2015), notably facilitate continuing approximation of Ukrainian legislation in line with the EU-Ukraine Association Agreement.

1. To support the progressive development of high-quality human resources in the Parliament.
2. To support the digitalisation and automation of legislative processes (e-Parliament).

SO3) On SMES, Private Sector Development:

* To support Ukraine's participation in the EU COSME ***programme***.

SO4) On trade – Standardisation

* To gradually achieve conformity with the EU technical regulations and EU standardization, metrology, accreditation, conformity assessment procedures and the market surveillance system.

SO5) On Food Safety / veterinary, animal health and welfare

* To enhance the functionality of Ukraine’s food safety, animal health, welfare services and infrastructure system in gradual alignment with relevant EU and other international standards, notably by providing drafting support for relevant SPS legislation, follow up and coordination on drafted legislation to ensure EU compliance, and coordination of EU compliance checks for the entire SPS legislation.

SO6) On Public Health

* To set up a modern and sustainable Public Health system in Ukraine, including the national blood system.

SO7) On air transport

* To reinforce the State Aviation Administration of Ukraine (SAAU)'s structural oversight capacity, specifically in the area of Air Operations and Flight Crew Licensing (OPS and FCL).

1. To ensure the effective implementation of relevant EU acquis (EU standard, regulatory and procedural requirements) in Ukraine.
2. To reinforce cooperation with air operators in the domain of OPS and FCL.
3. To provide legal support to the SAAU to set up a solid legal ground for effective EU aviation acquis implementation.

SO8) On inland waterway transport

* To support to the implementation of EU legislation and EU best practice in the in land waterway sub-sector.

1. To strengthen the administrative capacity in the Ministry of Infrastructure and the relevant in land waterway authorities.
2. To develop a Dnipro Development in land waterway transport ***plan***, including all the necessary aspects as: transport conditions, cost structure and fees, safety conditions, enterprises and competitive situation, employment, economic indicators, education, fleet infrastructure and rehabilitation / maintenance of the navigation, interfaces (ports and transhipment sites), information and communication systems, river information services assessment of the economic, social and environmental effects, etc.

SO9) On energy security

* To develop a new Subsoil Code to modernise, codify the legislation and regulate the sector of subsoil use.

1. To unify, make transparent and formalise by the law the procedure for obtaining the special permits for subsoil usage.
2. To reduce overregulation, and discretionary decisions of the administration.
3. To ensure broad access, predictability and transparency during granting of permits and further improve the investment climate.

SO10) On integrated border management

* To analyse business processes of stakeholders related to the flow of goods and persons at the borders of Ukraine, including customs and migration and integrating relevant existing data and analyses from previous and parallel projects, and to recommend necessary changes in business processes against applicable benchmarks and best practices. Specific attention is to be paid to business processes related to the maritime borders.

1. To establish a complete repertory of assets available to all stakeholders of relevance to IBM-Integrated Border Management  (with a particular emphasis on IT) and to assess whether they are of sufficient quantity and quality to be used in implementing Ukraine's IBM strategy, allowing to identify gaps that will need to be addressed in Ukraine's IBM Strategy and implementation ***plan***.
2. To assist the Ukrainian IBM stakeholders, on the basis of the results of the previous analysis mentioned above as well as existing strategies, ***planning*** documents and analyses/reports, in the establishment of a comprehensive IBM Strategy and implementation ***plan***, including a comprehensive cost estimate and capacity need analysis, resulting in a clear roadmap for implementing full IBM in Ukraine by 2020.

SO11) On gender equality

* To aim at gender equality and ensure equal opportunities for women and men in employment, education, training, economy and society, and decision-making  as foreseen in Article 419 of the AA.

1. To enable the national gender equality mechanism (legislation and institutions) to efficiently perform its functions; continue supporting Ukraine in its fight against gender-based and domestic violence, especially in the current conflict setting.

SO12) Public Administration Reform – support to the reform architecture

* To support the overall government’s reform agenda, with a particular focus on reforms linked to the Public Administration Reform, National Reform Council and Business Ombudsman.

SO13) Public Administration Reform – Forming a professional corps of civil servants (languages courses)

* To support the progressive development of high-quality human resources in the Ukrainian public administration, notably by nurturing a new generation of Ukrainian civil servants certified and using professionally increasing number of foreign languages (notably EU member state languages).

1. To enable modern public administration benefit from the vast potential of EU research, knowledge and expertise available in a foreign language and from the free communication with European counterparts, and thus contributing to the improved evidence-based state policy-making and to an accelerated process of political, economic, social and cultural integration of Ukrainian with the EU.

SO14) Land reform

* The cadastral system and protection of land-related rights is improved in a gradual alignment with relevant EU and other international standards, thereby allowing for the development of a transparent land market.

Results:

R1) On culture and creative industries

* Mutual understanding increased and cultural trends emerging in EU countries and Ukraine shared; EU - Ukraine cultural dialogue established.

1. Ukrainian cultural and creative industries actors grow the capacity to develop and implement cultural projects, and to seek funding from the newly created state funds, international ***programmes***, collective funding mechanisms, and investment facilities.
2. Ukrainian institutions successfully participate in the Creative Europe ***programme***, and get involved in relevant trans-European networks and platforms.
3. The level of tolerance in Ukrainian society increases, cultural diversity is preserved and further developed, and internal cultural dialogue promotes reconciliation and internal cohesion within Ukraine.
4. Mutual understanding and mutual knowledge between the EU- Ukraine.

R2) On good governance –good functioning of the Ukrainian Parliament

* The Ukrainian Parliament moves forward to a progressive, modernised and transparent institution perceived as an effective and trusted legislative power.

1. Reforms in line with the 52 European Parliament's recommendations are sustained and leading to modernised Ukrainian parliament meeting the European and international best practices and standards.
2. A new cadre of parliamentarians, professionalised and non-partisan staff, and parliament experts.

1. e-Parliament effectively working in Ukraine.

R3) On SMES, Private Sector Development

* Ukrainian SMEs have benefitted from the COSME instruments and have strengthened their competitiveness.

R4) On trade – Standardisation

* Relevant EU acquis is incorporated into the legislation of Ukraine, including the horizontal/framework legislation, technical legislation provide the effective and transparent administrative system required for the implementation.

1. The National Standardisation Body administrative capacity is reinforced and is able to perform its activities at the same level as similar EU bodies.
2. International cooperation is enhanced and Ukraine is sufficiently represented in the international relevant technical committees.

R5) On Food Safety / veterinary, animal health and welfare

* Core public functions, based on agreed policies, strategies and revised legal framework are being performed by the SSUFSCP in collaboration with private and public sector institutions and organizations:

* Building on the accomplishments of previous phase, principal and subsidiary legislations are drafted, further prepared, discussed and adopted, and procedures for their implementation are developed thereby ensuring approximation with relevant EU acquis;

1. Institutional and human resources capacity at SSUFSCP further strengthened at central and to a certain extent regional levels;
2. Food safety, animal health and welfare extension delivery and awareness raising capacity strengthened.

* Standards in all areas of Food / Feed safety, Animal Health and Welfare Services are improved through better coordination and quality control:

* Capacity of the national veterinary diagnostic laboratory services and the established diagnostic networks to detect and report the occurrence of contagious disease is strengthened in line with international standards;

1. Control, surveillance and national emergency response capacity in food safety, animal health and welfare further enhanced in line with European standards and practices;
2. Support the restructuring of veterinary services delivery systems.

R6) On Public Health

* The new National Public Health Centre operates as an autonomous agency under the supervision of the Ministry of Health with its core mandate and activities centred –in an initial stage- around four main pillars: surveillance, regular feedback and epidemiological bulletins to stakeholders, training and preparedness.

1. National Action ***Plan*** on Public Health elaborated and launched in its two first years following the reform process (covering the prevention of communicable and non-communicable diseases, etc.). Key legislative framework in the area of Public health is in place.

1. The Centre for Transfusion Medicine and the Competent Authority for supervisory functions are created and strengthened, and the blood establishments modernized.
2. A Roadmap/Action ***Plan*** for the implementation of the Strategy on the national blood system, putting in place the legislative framework.

R7) Air Transport

* Priority EU legislation, covered by the CAA Agreement, is transposed into Ukrainian legislation.

1. The implementing regulations for the above legislation are developed and implemented.
2. The internal procedures, handbooks, checklists and guidance materials for the relevant Aviation Rules of Ukraine (ARU) are developed and ready for the SAAU approval.
3. Strengthened institutional capacity of the regulatory authorities (SAAU).
4. Strengthened knowledge of the air operators.

R8) In land waterway transport

* An efficient, effective and safe in land waterway transport is in place.

1. Ministry of Infrastructure's capacity is enhanced.

R9) On energy security

* A legal assessment report of the existing legislative framework is prepared.

1. An European practices analysis of the subsoil use systems of advanced economies is prepared.
2. A gap analysis report with the identification of a list of unnecessary permits, overregulation and duplicating documents in the sphere of subsoil usage is prepared.
3. The concept/ structure of a new and effective deregulated subsoil use system is developed and endorsed by the beneficiary.
4. The new Subsoil Code is developed.
5. The relevant amendments to current legislation enabling the new Subsoil Code are drafted.

R10) On  integrated border management

* Full understanding of existing, IBM–related business processes in Ukraine and possible gaps, allowing formulating pertinent recommendations to close identified gaps.

1. Full repertory of existing assets of relevance to IBM, full assessment of the possibility to use them in the establishment of full IBM in Ukraine and identification of gaps.
2. Comprehensive IBM Strategy and implementation ***plan*** endorsed by all stakeholders and adopted by Ukrainian government.

R11) On gender equality

* Ukrainian legislation on anti-discrimination is in line with EU acquis.

1. Ukrainian legislation on gender-based and domestic violence (currently still of soviet legacy) is modernised and in line with international best practice.
2. Ukraine avails of and implements a national ***programme*** on gender equality which serves as an internationally-backed strategy for the coming years.
3. Ukraine gender equality institutions constitute a lean, efficient mechanism in line with principles of a modern public administration and are able to implement the above-mentioned legislation and strategy.
4. Awareness is raised on gender-based and domestic violence, including in relation with the armed conflict.
5. Level of reporting of gender based violence and domestic violence is significantly higher, including from survivors particularly concerned by the conflict and male survivors.
6. Gender based violence and domestic violence response system more effective and efficient, including towards survivors particularly concerned by the conflict and male survivors.

R12) On Public Administration Reform – Support to the reform architecture

* Institutions established under the new Reform Support Architecture for Ukraine, capable of fulfilling their mandate.

1. Reduced gaps in current staff skills, experience and overall institutional capacities.
2. The Ukrainian Business Ombudsman Institution (BOI) provides timely assistance in resolving complaints of corruption and mistreatment of businesses.

R13) On Public Administration Reform – Languages courses

* The Government institutions move forward to a progressive and modernised public administration, thus perceived as an effective and trusted executive power.

1. At least 1000 civil servant trained and certified in language proficiency at various levels and various public policy areas.
2. The rate of use of EU and EU member state policy papers/research/expertise in original language in the Ukrainian state institutions increased.
3. Work of bilateral bodies meetings under the Association Agreement is smoother due to use of single language throughout the talks.

R14) On land reform

* An operational land governance monitoring system through which information is collected, reported and used on a regular base is established.

1. Pilot inventory and registration of state and communal land in selected rayons.
2. Institutional and technical capacity is built at a national and local level to ensure transparent and inclusive management of state and communal land resources and prepare for land auctions.

  4.2 Main activities

| **Specific objective** | **Main activities** |
| --- | --- |
| SO1) On culture and creative industries | Support a number of projects and travel grants to increase cultural mobility and exchanges between Ukraine and EU member states. Support 1-2 annual joint EU/EUNIC (EU national institutes of culture) cultural projects in Ukraine (e.g a European Film Festival in Eastern Ukraine, literary festivals, etc.). Cultural management skills and seed funding: develop the project management capacity of around 250 emerging / regional cultural operators in Ukraine and fund around 24 cultural projects. Support Ukrainian participation in relevant trans-European networks and platforms (e.g European Creative Hubs Forum). Creative Europe workshops: run around 10 workshops (indicatively 250 participants) across Ukraine to enhance application development skills for Creative Europe and organise 2 study visits and other informational support for Ukraine?s Creative Europe Desk. Support around 24 projects which increase cultural mobility and cooperation between the East and West of Ukraine. Create a TV ***programme***, providing a format and space for knowledge experience and values sharing between the EU and Ukrainian cultural actors. Project launch and conclusion events. |
| SO2) On good governance ?good functioning of the Ukrainian Parliament | Create small reform support teams (Ukrainian nationals) attached possibly to the Office of Speaker, Head of Secretariat, Committee Secretariats to facilitate continuing implementation of the European Parliament's recommendations. Facilitate the Jean-Monnet Dialogue on mediation between Parliament factions on contentious proposals for changes of Rules of procedures or draft laws. Establishment of a sound 'end-to-end' legislative process. Continuous support to the European Integration Committee in the process of legal approximation. Support the practical implementation of the Secretariat ***strategic*** development ***plan*** and the human resource development. Support the development and implementation of a comprehensive learning ***programme*** for parliamentary staff, based on European Parliament and European national parliament best practices. Support a comprehensive internship ***programme*** for the parliament. Support the development and implementation of a comprehensive e-Parliament strategy. Action on parliamentary openness and transparency. Provide necessary software solutions/hardware for the above technical systems. |
| SO3) On SMES, Private Sector Development | Participation of Ukraine in EU ***programme*** COSME |
| SO4) On trade ? Standardisation | A thorough analysis of relevant laws to remove conflicting provisions. Clarification of the scope of NSB's business, i.e which activities (such as the certification, conformity assessment, training and consulting) can be retained along with the core standardisation activities. Alignment of the internal working procedures of Ukrainian NSB with those of the NSBs of the EU Member States. Training for staff. Development and implementation of a public outreach strategy. Design and implementation of a good document management system. |
| SO5) On Food Safety / veterinary, animal health and welfare | Drafting/coordination of related principal and subsidiary legislation, ensuring regular compliance checks and its approximation with EU acquis. Follow up and monitor the consultation and adoption process of the drafted legislation up to the formal adoption of these legal texts. Contribute to the overall coordination of the drafting and adoption process of the SPS Strategy. Based on the overall SSUFSCP Institutional Restructuring ***Plan***, assist the SSUFSCP in its implementation, including for state veterinary laboratories. Mentoring SSUFSCP and target Oblast Veterinary Offices in the performance of their organization, facilitation and regulatory core functions. Continue developing food safety inspection capacity in place, through various training to inspectors, strengthening of the information management system, review performances of the system and ensure required troubleshooting. Provide equipment and software necessary to implement the restructuring process including for selected laboratories. Support the SSUFSCP in strengthening its public awareness and extension capacity. Develop the existing SSUFSCP website; assist in its regular update. Assist Ukrainian ***producers*** of fish, meat, milk, mineral water and feed sectors in achieving internationally recognized safety production standards. Improve the technical capacity of National Veterinary Reference Laboratories through various practical on-the-job training in required fields. Further support the veterinary certification / monitoring and border veterinary control system in line with European and International regulatory framework. Assist the SSUFSCP in designing service delivery models based on international best practices and the geographical distribution of veterinarians and their potential sources of livelihoods. Develop a pilot training ***programme*** for veterinarians to perform public functions and continue developing the capacity of veterinarians in different fields of expertise, depending on identified needs. |
| SO6) On Public Health | Needs assessment and priority setting for establishing the national Roadmaps/Action ***Plans***. Legal drafting as needed on public health including blood safety. Capacity building activities to set-up the National Public Health Centre. Capacity building activities for the creation of the key Authorities for the Blood safety system. Systematic evaluation and reform/rationalization of the network of laboratories. Setting up the four pillars of the Public Health system (surveillance, feedback, training and preparedness). Elaboration, adoption and implementation of a national immunization ***programme***. Creation of a reliable system of Epidemiologic Surveillance. Prevention and control campaigns (on HIV/AIDS and TB, hepatitis). Elaboration and implementation of a national Action ***Plan*** for control of anti-microbial resistance and health-care associated infections. Preparedness ***planning*** for major health threats and strengthening response capacities for emergencies and health crisis. Support for field epidemiology training activities. Prevention campaigns for early detection on non-communicable diseases. Education and awareness raising campaigns for promoting healthy lifestyle. Further strengthen and implement tobacco control policies in line with EU legislation and practices. On quality and safety of Substances of Human Origin.   Support to the creation of a University Degree in Public Health. Support to the elaboration of a modern competence-based training ***programme*** for professionals. |
| SO7) On air transport | Verification of the national legislation against basic Regulation (EC) No 216/2008 of the European Parliament and the Council (EASA regulation) in parts that concern the project topics, and including cooperation with the third countries (Article 66). Studying the European experience in view of preparation for the implementation of Commission Regulation (EU) No 1178/2011 laying down technical requirements and administrative procedures related to civil aviation aircrew. Studying the European experience in view of preparation for the implementation of Commission Regulation (EU) No 965/2012 laying down technical requirements and administrative procedures related to air operations. Capacity building activities, including establishment of OPS and FCL inspectors training system and related certifications. Cooperation with airlines and other stakeholders with the purpose of communication of new requirements to be introduced in the areas of OPS/ FCL. Communication and visibility activities. |
| SO8) On in land waterway transport | Drafting or updating the necessary legislative acts and secondary or implementing legislation as well as other relevant legislation. Provision of expert support for stakeholders consultations and inter-ministerial coordination as well as support to the relevant Rada Committee for the approval of the legislation. Facilitation and coordination of the development, discussions and approval of administrative capacity development ***plan***. Assistance to the set-up of new institutions or merger of institutions / authorities. Development and assistance in reform process, revised internal procedures, job descriptions, manuals, organisation, etc. Preparation of comprehensive short term training ***plans***, including the highest priority topics identified in the needs assessment done and their implementation. Developing training curricula for transport acquis courses, provide training for trainers courses and deliver the trainings. Development of a Dnipro Development in land waterway transport ***plan*** and its elements. Perform a stakeholder analysis and develop a Stakeholders Involvement ***Plan*** and implement it through the project period. Design of and implement a communication and public awareness ***plan***, including for the adoption of legislation and the promotion of the ***plan*** and awareness and communication actions and events. |
| SO9) On energy security | Legal analysis of current legislative framework and expected legislative framework applying in the sector of subsoil use. Analysis of best practices of advanced economies and continental law systems in the sphere of subsoil usage (practice of EU Member States). Development of the concept of the future effective and deregulated subsoil use system. Drafting of draft of the new subsoil code and corresponding changes to the Ukrainian legislation in English and Ukrainian enabling the new Subsoil Code.     Communication activities including public discussions of the draft with the Government and Verkhovna Rada. |
| SO10) On integrated border management | Analyse business processes of all stakeholders of relevance to IBM. Formulate recommendations to adapt inadequate processes and to fill identified gaps. Follow-up of recommendations and assistance to Ukrainian stakeholders in implementing recommendations, e.g by reviewing internal instructions or assisting in drafting legislation. Establish asset repertory and assess quantity and quality of assets. Identify gaps and formulate recommendations how to fill them. Analyse existing strategies and reports, identify gaps with stakeholders. Assist in drafting and reviewing IBM Strategy, Implementation ***plan***, costing estimates and capacity need analysis. |
| SO11) On gender equality | Legislative review and approximation to the EU acquis with a view to mainstream gender equality. Expert advice on transposing EU anti-discrimination legislation into Ukrainian legislation and its subsequent implementation, monitoring and enforcement. Enabling of the Istanbul Convention ratification and/or its subsequent implementation (depending on the progress of ratification in 2017/2018). Advice on drafting of necessary secondary legislation Advice on outreach and communication work in order to facilitate timely and correct adoption, implementation, monitoring and enforcement of necessary legislation. Functional reviews of the national gender equality mechanism. Capacity building, reorganisation or set up of gender equality bodies as necessary (focal points and groups in the line ministries, regional and local authorities). Communication campaign on gender-based and domestic violence, with an emphasis on conflict-related aspects and including male survivors. Establishing of a network of social workers, law enforcement, judicial and medical staff as multipliers of best practices vis-à-vis gender based violence/domestic violence survivors (incl. male ones) among their professional peers. Trainings for professionals, including awareness on conflict-related aspects like combatants who are also gender based violence ?survivors. Set up of further response sites in regions, also with a special view to the armed conflict. Educational ***interventions*** in schools, universities, vocational training schools. |
| SO12) On Public Administration Reform ?Support to the reform architecture | Continuation of support to already existing Reform Support Teams in key ministries and in the Reform Delivery Office of the Prime Minister. This means engaging young Ukrainian professionals on a temporary basis in the implementation of reforms. Extension of the reform team concept to other bodies and/or ministries, allowing to cover more reform priorities and structural transformation of these bodies/ministries. |
| SO13) On Public Administration Reform ? Languages courses | Needs assessment to include identification of priority cadres to be targeted by the ***programme***, research on work already done by other donors/state ***programmes*** and organization of placement tests to determine level of proficiency. To organise a variety of language courses, linked directly to skills needed for the implementation Association Agreement and approximation with the EU policies, to include as a minimum: a) Individual coaching of business language for senior civil servants/officials (up to 30 officials) to at least the equivalent of level B2  under the Common European Framework of Reference for Language Learning (CEFR); b) Group sectoral/competence-based trainings for ministries and central agencies (notably related to priority sectors under the AA), including legal language (relevant to legal approximation); c) individual or group trainings on soft skills in the selected foreign language - public speaking, presentation skills, analysis/public document writing skills. Organization of exam and certification ? registration, facilitation and covering of the costs for recognised language certification exams (IELTS, TOEFL, TOEIC, DELF, DALF, etc.). A number of best graduates may be taken for a study tour/short practical course of the selected language in the corresponding country. |
| SO14) Land reform | Development of software for data reporting, data processing and online publication. Training of different stakeholders on monitoring of land governance. Promotional activities for the use of monitoring results. Development of technical documentation and registration of administrative boundaries of cities and villages in pilot rayons. Inventory and registration in the Land Cadastre and Registry of Rights of unregistered state and communal land in pilot rayons. Identify and correct technical errors in cadastral and registry data for state and communal land in pilot rayons. Remote sensing of ***agricultural*** land use in pilot rayons. Identification of land available and support the preparation for land auctions in pilot rayons (the decisions remain, however, to be taken by Ukrainians). Training for government officials on use of remote sensing results. Support to national and local institutions in land resources management. Investigate potential for the establishment of land ombudsman services. |

  4.3 ***Intervention*** logic

The action is aimed at creating the necessary conditions for effective implementation of the EU-Ukraine Association Agreement, particularly, through targeted policy advice and assistance in legal approximation process in the selected priority areas, as well as provision of capacity building measures and infrastructural support, to relevant state authorities.

* Implementation

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012. 5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission’s authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3 Implementation modalities 5.3.1 Grants: call for proposals Twinning for the National Standards Body (direct management)

 (a) Objectives of the grants, fields of ***intervention***, priorities of the year and expected results

The Twinning call for proposals modality will be used for implementing part of the action under specific objective SO4) On Trade- Standardisation:

* To gradually achieve conformity with the EU technical regulations and EU standardization, metrology, accreditation, conformity assessment procedures and the market surveillance system.

Expected results:

* Relevant EU acquis is incorporated into the legislation of Ukraine, including the horizontal/framework legislation, technical legislation provide the effective and transparent administrative system required for the implementation.

1. The National Standardisation Body administrative capacity is reinforced and is able to perform its activities at the same level as similar EU bodies.
2. International cooperation is enhanced and Ukraine is sufficiently represented in the international relevant technical committees.

(b) Eligibility conditions

In line with Article 4(10)(b) of Regulation (EU) No 236/2014, participation in Twinning calls for proposals is limited to public administrations of the EU Member States, being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies entrusted with a public service mission under their control provided they act for the account and under the responsibility of that Member State.

(c) Essential selection and award criteria

The essential selection criterion is the operational capacity of the applicant.

The essential award criteria are the technical expertise of the applicant and the relevance, methodology and sustainability of the proposed action.

(d) Maximum rate of co-financing

The rate of co-financing for Twinning grant contracts is 100%[1] .

 (e) Indicative timing to launch the call

Quarter 3, 2018.

f) Use of lump sums/flat rates/unit costs

Twinning contracts include a system of unit costs and flat rate financing, defined in the Twinning Manual for the reimbursement of the public sector expertise provided by the selected Member States administrations. The use of this system of unit costs and flat rate financing, which exceeds the amount of EUR 60 000 per beneficiary of a Twinning contract, is authorised through the Commission decision C(2017)1122.

5.3.2 Grant: direct award for participation of Ukraine in the EU ***Programme*** COSME (direct management)

 (a)    Objectives of the grant, fields of ***intervention***, priorities of the year and expected results

The objective is to co-finance the participation of Ukraine in the EU ***Programme*** COSME for the years 2017-2020. This will be achieved by means of reimbursement of a share of the annual participation fee required from Ukraine for being part of this ***programme***. Payment will be made on an annual basis after receiving evidence of the payment of the total fee for the corresponding year. No pre-financing is foreseen under this scheme.

 (b)          Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to Ministry of Economic Development and Trade of Ukraine. The recourse to an award of a grant without a call for proposals is justified because, in accordance with Article 190(1)(f) of Commission Delegated Regulation (EU) No 1268/2012, the action has specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power. Ministry of Economic Development and Trade of Ukraine has been designated by Ukraine for being in charge of this ***programme*** and is responsible for topics relevant to the concerned EU ***programme***.

(c)          Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the concerned institution. The essential award criterion is the relevance of the proposed action to the objectives, results and activities as described in sections 4.1 and 4.2 above. These criteria will be verified by ensuring that the institution is the one in charge of the payment of the participation fee and that the payment of the entire fee for the corresponding year has been done.

(d)          Maximum rate of co-financing:

The maximum possible rate of co-financing for this grant is 50%.

(e)           Indicative trimester to conclude the grant agreement:

4th Quarter of 2017

(f) Exception to the non-retroactivity of costs

An agreement between the EU and Ukraine on the participation of Ukraine in EU ***Programme*** 'Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)' was signed in May 2016, according to the terms of which Ukraine is associated to the ***programme***  as of  1 January 2017 and its financial contribution is due as of that date. It is therefore appropriate to allow retroactive co-financing of this participation and the Commission authorises that the cost of the financial contribution of Ukraine for its participation in COSME may be recognised as eligible as of 1 January 2017.

5.3.3 Grant: direct award for 'Upgrading Capacity for Transparent Land Governance in Ukraine' (direct management)

(a) Objectives of the grant, fields of ***intervention***, priorities of the year and expected results

The specific objective of this action is to improve the cadastral system and protection of land-related rights in a gradual alignment with relevant EU and other international standards, thereby allowing for the development of a transparent land market.

Expected results of this action are as follows:

Result 1: Establishment of an operational land governance monitoring system through which information is collected, reported and used on a regular base;

Result 2: Pilot inventory and registration of state and communal land in selected rayons;

Result 3: Institutional and technical capacity is built at a national and local level to ensure transparent and inclusive management of state and communal land resources and prepare for land auctions.

(b) Justification of a direct grant

Under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to the World Bank Group.

Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because, in accordance with Article 190(1)(f) of Commission Delegated Regulation (EU) No 1268/2012, the action has specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power. The World Bank Group has technical competence and specialisation in supporting the Government of Ukraine in the design and implementation of the Land Reform, which is largely recognised by the international community. Since 2003, the World Bank Group has implemented numerous land reform projects in Ukraine, which has allowed them to accumulate significant expertise in the sector and above all to maintain an efficient policy dialogue with all concerned stakeholders – the Cabinet of Ministers, MoAPF, the Ministry of Economic development and Trade and several other government authorities – in view of implementing the land market reform, considered as the critical element for further implementation of the land reform agenda. Furthermore, land reform is clearly identified as one of the objectives in the World Bank Group Country Partnership Framework for Ukraine, underlining its continuous engagement in support to the land reform agenda and thereby making the World Bank Group a sustainable partner in future land governance developments.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 100 %.

(e) Indicative trimester to conclude the grant agreement

Fourth trimester of 2017.

  5.3.4 Procurement (direct management)

| **Subject** | **Type (works, supplies, services)** | **Indicative number of contracts** | **Indicative trimester of launch of the procedure** |
| --- | --- | --- | --- |
| Technical Assistance in the fields of food safety and animal health / welfare | Services | 1 | Q2 of 2018 |
| Food Safety - Supply of IT hardware, software and veterinary laboratory equipment and consumables. | Supplies | 1 | Q1 of 2018 |
| Technical Assistance to support Public Health | Services | 1 | Q2 of 2018 |
| Technical Assistance to support air transport | Services | 1 | Q2 of 2018 |
| Technical Assistance to support in land waterway transport | Services | 1 | Q2 of 2018 |
| Technical Assistance Subsoil Code | Services | 1 | Q2 of 2018 |
| Technical Assistance Border Guards | Services | 1 | Q1 of 2018 |
| Technical Assistance to promote gender | Services | 1 | Q2 of 2018 |
| Technical Assistance ? languages courses | Services | 1 | Q2 of 2018 |
| Communication, Evaluation, Audit | Services | 4 | Q2 of 2018 Q4 of 2020 Q2 of 2023 |

  5.3.5 Indirect management with British Council

A part of this action may be implemented in indirect management with British Council in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the action to support cultural and creative industries sectors (SO1). This implementation is justified for the following reasons:

The British Council has been operating in Ukraine since 1992, and is one of the largest and most well-established European cultural relations institutes in the country. The British Council works actively in the cultural sphere in Ukraine supporting capacity-building, experience-sharing and cultural showcasing through a wide range of grant and mobility ***programmes***. The British Council is also a founding member of the EUNIC cluster in Kyiv, and its current joint president, and leads the consortium implementing the related EU-EAP Culture ***Programme*** II.

The entrusted entity would carry out the following budget-implementation tasks: procurement and grant award procedures and management of corresponding contracts and payments.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management as described in section 5.3.8   5.3.6 Indirect management with UNDP

A part of this action may be implemented in indirect management with the United Nations Development ***Programme*** (UNDP) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails technical assistance to the Ukrainian Parliament (Verkhovna Rada of Ukraine; VRU) under SO2. This implementation is justified because UNDP possesses specialized technical competence and has several decades of experience supporting parliamentary strengthening internationally working with over 100 parliaments. At the present time UNDP works with more than 60 parliaments across the world, focusing particularly on areas pertinent to Ukraine including institutional strengthening, support to dialogic processes between different parliamentary groups, ***strategic*** ***plan*** development, and support to parliamentary communication and transparency. Local ownership and sustainability of results is ensured as the UNDP has a proven track record of its work with the Ukrainian parliament, notably the predecessor of the proposed action - Rada za Evropu (Phase I), implemented by UNDP between 2016-2018. UNDP provided substantive technical support to the Needs Assessment Mission (NAM) through a Senior Parliamentary Reform Expert and its Democratic Governance Team in 2015-2016 and has been a main partner on the ground during the monitoring and implementation of NAM recommendations ever since, building a comprehensive network of stakeholders in the overall parliamentary reform.

The entrusted entity would carry out the following budget-implementation tasks:  procurement and grant award procedures and management of corresponding contracts and payments.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in direct management as described in section 5.3.8

5.3.7    Indirect management with EBRD (European Bank for Reconstruction and Development)

A part of this action may be implemented in indirect management with the EBRD in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the implementation of SO12 – Contribution to the EBRD-Ukraine Stabilisation and Sustainable Growth Multi-Donor Account (MDA).  This implementation is justified because EBRD is the manager of the fund created in 2014 to provide support for policy reforms that are urgently needed to stabilise the economy. The EU contribution will support activities linked to the public administration reform, National Reform Council and Business Ombudsman.

The entrusted entity would carry out the following budget-implementation tasks:  procurement and grant award procedures and management of corresponding contracts and payments.

Due to the specificity of EU contribution to the EBRD-Ukraine Stabilisation and Sustainable Growth Multi-Donor Account (MDA) and political importance for the EU to participate in MDA funded activities from the establishment date of the MDA at the same level as other donors, the eligibility of related costs may be authorised as of 9 July 2014.

5.3.8 Changes from indirect to direct management mode due to exceptional circumstances

If due to exceptional circumstances negotiations with the British Council fail, that part of this action may be implemented in direct management under the service contract:

| **Subject** | **Type (works, supplies, services)** | **Indicative number of contracts** | **Indicative trimester of launch of the procedure** |
| --- | --- | --- | --- |
| Support to cultural and creative industries sectors | Services | 1 | Q1 of 2018 |

If due to exceptional circumstances negotiations with UNDP fail, that part of this action may be implemented in direct management under the service contract:

| **Subject** | **Type (works, supplies, services)** | **Indicative number of contracts** | **Indicative trimester of launch of the procedure** |
| --- | --- | --- | --- |
| Technical assistance to the Ukrainian Parliament | Services | 1 | Q1 of 2018 |

  5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2) (b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult. 5.5 Indicative budget

|  | **EU contribution (amount in EUR)** | **Indicative third party contribution (amount in in EUR)** |
| --- | --- | --- |
| Twinning (SO4) | 1 000 000 |  |
| Direct grant MEDT (SO3) | 1 000 000 | 1 000 000 |
| Direct grant to WBG | 3 000 000 |  |
| Procurement (SO5,SO6&SO7&SO8&SO9&SO10&SO11&SO13) | 16 950 000 | - |
| Indirect management with British Council (SO1) | 1 300 000 | 63 000 |
| Indirect management with UNDP (SO2) | 3 000 000 | - |
| Indirect management with EBRD (SO12) | 9 000 000 | - |
| Evaluation/Audits | 250 000 | - |
| Communication and visibility | 1 500 000 | - |
| TOTALS | 37 000 000 | 1 063 000 |

  5.6 Organisational set-up and responsibilities

On the Ukrainian side, this action will be coordinated by the Ministry of Economic Development and Trade acting as National Coordinating Unit for the EU assistance.

Detailed terms of reference/description of the action will be developed for each individual action, including the management structure, the experts' team, the composition of the Steering Committee in charge of the supervision of the project, etc. 5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

  5.8 Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this action is a compilation of sub-actions under the over-arching objective to support the implementation of  the EU-Ukraine Association Agreement.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in 2023.

  5.9  Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in 2023.

  5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility ***Plan*** of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plan*** of the Action and the appropriate contractual obligations.

  APPENDIX - Indicative Log-frame matrix (for project modality) \*\* To be completed at a later stage for each individual action financed under this technical cooperation facility.

The activities, the expected outputs and all the indicators, targets and baselines included in the log-frame matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall ***programme*** and its components. The indicative log-frame matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Results chain | Indicators | Baselines (incl. reference year) | Targets (incl. reference year) | Sources and means of verification | Assumptions |
| Overall objective:   Impact |  |  |  |  |  |  |
| Specific objective(s): Outcome(s) |  |  |  |  |  |  |
| Outputs |  |  |  |  |  |  |

[1] As provided for in the Twinning Manual

**Load-Date:** August 1, 2017

**End of Document**



[***MWD Advisors publishes favorable in-depth review of Trisotech's Digital Enterprise Suite***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PH7-4BP1-JD3Y-Y39J-00000-00&context=1516831)

FinancialWire

September 18, 2017 Monday

Copyright 2017 Investrend Communications, Inc. All Rights Reserved



**Length:** 502 words

**Body**

Montreal, Quebec, Canada - Trisotech ([*http://www.trisotech.com*](http://www.trisotech.com)), a global leader in digital enterprise transformation software solutions, announced today that MDW Advisors, an independent technology and advisory services firm, has analyzed the Digital Enterprise Suite features and ***produced*** an in-depth review of the tool.

The MWD Advisors' review concludes that Trisotech offers a "comprehensive set of tools and canvases that provide support to a broad range of users, enabling them to capture reusable models of how the business operates."

The review puts an emphasis on the Suite's Decision Management component: Trisotech's Decision Modeling and Notation (DMN) Modeler. Derek Miers, Principal Analyst at MWD Advisors and author of the review, points out that "we struggle to think of scenarios where organisations with significant operational decision-making requirements would not want to look seriously at the product."

"MWD Advisors is a well-respected analyst firm and we are very pleased that they have great things to say about our Decision Management product," says George Barlow, Chief Sales Officer at Trisotech. "Mr. Miers also makes the point that the Decision Management product, while available as a stand-alone offering, has even greater customer value when paired with other components of our Digital Enterprise Suite such as our Business Process Modeling, Case Management Modeling and ***Strategic*** ***Planning*** tools. The Decision Management marketplace is very active right now. Organizations of all types want to take advantage of the OMG international standard - Decision Modeling Notation (DMN) - to replace existing disparate rules systems, coalesce on a standard, and remove embedded decision logic from ***program*** code thus making it accessible directly by business users."

About Trisotech

Trisotech is a global leader in digital enterprise transformation solutions, offering innovative and easy-to-use software tools that allow customers to visualize, innovate, transform and improve their digital enterprise processes and business decisions. Trisotech customers use The Digital Enterprise Suite to provide new and revolutionary ways for their knowledge workers to collaborate and succeed in an increasingly global, connected and competitive world. Trisotech products are providing digital transformation help to communications, ***agriculture***, manufacturing, financial, healthcare, insurance, energy, distribution, government, and many other types of organizations.

Trisotech is a privately held company.

Website: [*http://www.trisotech.com*](http://www.trisotech.com)

For more information:

Jonathan L'Ecuyer

Marketing Manager

Trisotech

514 990-6639 ext. 501

All registered trademarks are the property of their respective owners.

Media Contact

Company Name: Trisotech Inc.

Contact Person: Jonathan L\'Ecuyer, Marketing Manager

Email: [*jlecuyer@trisotech.com*](mailto:jlecuyer@trisotech.com)

Phone: 5149906639 x501

Address:3100 Cote-Vertu B420

City: Montreal

State: Qc

Country: Canada

Website: trisotech.com

Source:   [*www.abnewswire.com*](http://www.abnewswire.com)

(Distributed by M2 Communications (   [*www.m2.com*](http://www.m2.com)))

**Load-Date:** September 18, 2017

**End of Document**



[***UNDP and Italy sign agreement to support Italian G7 commitments and UN reform***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PJP-B5T1-JDG9-Y0MY-00000-00&context=1516831)

Impact News Service

September 19, 2017 Tuesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 328 words

**Body**

New York City: United Nations Development ***Programme*** has issued the following news release:

Achim Steiner, UNDP Administrator, and the Italian Minister of the Environment, Land and Sea (IMELS), Gian Luca Galletti, today signed an agreement for EUR 7 million in support of Italian G7 Presidency commitments and UNDP reform objectives.

Italy’s Presidency of the G7 in 2017 ***produced*** a number of recommendations focusing on matters most pressing to its membership, including the impact of climate change and environmental degradation, in particular in Africa.

In particular, the G7 recognizes the importance of African ***agricultural*** production and food security, water availability, as well as stability and economic growth in the region. The G7 membership subsequently welcomed the proposal of the Italian Government to establish a Centre in Rome, for facilitating the voluntary exchange of information on increasing the effectiveness, synergies and complementarities of ongoing initiatives in support of Africa.

IMELS will be partnering with UNDP as well as the Food and ***Agricultural*** Organisation (FAO) in Rome in the establishment of this center which will focus on facilitating the exchange of information on development ***interventions*** and initiatives, as well as best practices on climate change, food security, access to water, clean energy generation in support to the achievement of the SDGs by African Countries.

UNDP as the partner organization to Italy in the pursuit of this objective is itself undergoing a realignment of the organisation around the SDGs, with a new ***Strategic*** ***Plan*** 2018-2021 expected to be adopted this year.

UNDP will thus be presenting revised objectives and a new business model to the Member States, which Italy through the IMELS partnership will be advancing with a view to UNDP further advancing towards an organization that is Fit-for-Purpose to deliver on the expectations of its Member States in the achievement of the SDGs and the Agenda 2030.

**Load-Date:** September 25, 2017

**End of Document**



[***-CASSINI RESOURCES LIMITED - ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S8G-CS51-JD3Y-Y07R-00000-00&context=1516831)

ENP Newswire

May 7, 2018 Monday

Copyright 2018 Normans Media Limited All Rights Reserved



**Length:** 2469 words

**Body**

Cassini Resources Limited (ASX: CZI) ('Cassini' or the 'Company') is pleased to report on the significant milestones achieved at its development and exploration projects during the March 2018 Quarter.

West Musgrave Project (CZI 100%, OZL earning up to 70%)

Nebo-Babel Pre-Feasibility Study Progress

The Pre-Feasibility Study (PFS) commenced in November 2017 and is expected to take a maximum of 18 months to complete. The exploration camp has been re-opened and expanded to accommodate the increased level of activity on site during the PFS. Two diamond rigs are currently working double shift to ***produce*** sample for the next phase of metallurgical optimisation, while advanced test work has already begun on samples remaining from the 2017 ***program***. Test work will focus on potential nickel and copper recovery improvements identified during the Scoping Study.

Meanwhile, resource infill and extension drilling has recently commenced with two additional RC rigs now on-site. First results of RC drilling will likely be available from the beginning of June. Gravity and passive seismic surveys have been completed to assist targeting of water exploration drilling later in 2018. De-risking of water supply for processing is a key outcome of the PFS.

Cassini staff recently convened a community meeting at West Musgrave together with OZ Minerals representatives, to provide local stakeholders with an overview of the activities taking place over the next 12 months as part of the PFS. The team will be working closely with the Government and Traditional Owners to understand the region and ***plan*** the next stages of the project.

Other activities over the coming months include

Installation of a wind mast for the collection of data to determine the benefits of the addition of wind energy into renewable energy ***program***

Flora and fauna surveys as required for environmental approvals

Heritage surveys focussing on the development footprint and infrastructure corridors

Regional Exploration Update

The West Musgrave JV partners have a ***strategic*** goal of identifying additional high-value ore to complement the development of the Nebo-Babel Deposits. To achieve this, the Company has a number of priority targets with the potential for providing high-grade nickel and/or copper mineralisation. The immediate priorities for 2018 will be to follow-up the One Tree Hill discovery made in 2017, the Yappsu Prospect, a 'Nebo look-a-like', and high grade extensions identified at Babel.

The Company expects this to be the start of a long and successful exploration campaign that will ultimately support the project beyond the development of the Nebo-Babel deposits. With over 40km of strike there are numerous opportunities for further discovery. Surface moving loop (MLEM) and downhole electromagnetic (DHEM) surveys have commenced at exploration targets One Tree Hill, Yappsu and Succoth with a 3rd diamond rig arriving in early May to assist with exploration drilling.

The Company has already identified a number of potential high-grade opportunities at these prospects, as described below.

Yappsu Prospect

Following extensive review of historical drill and geophysical databases, the Yappsu Prospect has been identified as a priority exploration target. Discovered in 2009, drilling initially targeted a surface moving loop electro-magnetic (MLEM) anomaly, with several holes intersecting a thick zone of disseminated mineralisation and importantly, including zones of high-grade massive to breccia nickel sulphides. Platinum and palladium grades are significantly higher than Nebo and Babel and are potentially indicative of a higher tenor system.

Review and remodelling of the existing down-hole EM (DHEM) data resulted in a best fit to the data comprising three conductive plates. Importantly, the modelling indicates the known drill hole intersections of conductive massive sulphide from Yappsu represent intersections which have just clipped the margins of the modelled plate anomalies. The implication of this re-modelling exercise is that the core zones of the plates, all of which exhibit high modelled conductance, may consist of thicker and higher grade massive/matrix sulphide mineralisation. Confirmation of this by drill testing could result in a significant upgrading of Yappsu. Concurrently, a new high-powered MLEM survey will be employed to identify new conductors along strike and down plunge, providing greater coverage and penetration than historical systems.

Babel - BW3 Conductor

While development studies are underway at Nebo-Babel, a number of potential opportunities to find high-grade extensions to mineralisation will also be tested. The BW3 conductor is a DHEM anomaly generated from hole WMN4049 which intersected 25.1m @ 0.94% Ni 0.94% Cu. BW3 is the highest conductance DHEM plate in the entire Babel deposit and strikes over 300m, extending 230m to the west of WMN4049 which has not had any further drill testing. The limit to the extent of the BW3 plate model is only constrained by distance from adjacent holes. Therefore, there is no conceptual reason why this mineralisation could not continue down-plunge.

The BW3 conductor is interpreted as an extension of the Startmeup Shoot, a shallow, high-grade mineralised zone located on the northwest margin of the Babel deposit. The 2017 RC drill ***programme*** targeted several EM features to the west of the Startmeup shoot with limited success. Subsequent interpretation has identified a potential north-trending fault, that has down-thrown the Startmeup shoot in the west to the location where mineralisation was intersected in WMN4049. While the BW3 target is a relatively deep occurrence, its high-grade nature may provide an economic underground mining option.

One Tree Hill Prospect

In early 2017, the Company announced the discovery of significant copper mineralisation at One Tree Hill, approximately 13km southwest of Nebo-Babel. This was only the 5th hole at the prospect targeting an off-hole conductor from an earlier hole drilled by Cassini in 2015. Drill hole CZD0017 intersected a massive sulphide zone returning 3.2m @ 2.16% Cu, 0.58% Ni, 0.10% Co and 1.0g/t PGE within a broader disseminated zone of 34m @ 1.05% Cu + 0.5 g/t PGE. An upper or hangingwall zone returned an intercept of 13.4m @ 0.85% Cu from 129.6m, including 1.6m @ 2.76% Cu from 134.9m. Almost the entire hole is copper anomalous (>250ppm) with numerous spikes of strong PGE anomalism (0.1 g/t).

The significant widths and particularly concentrations of PGEs which are associated with >30m Cu intersection are all considered hallmarks of a much larger magmatic mineralised system. Mineralisation is open in most directions and therefore DHEM and surface MLEM will be completed initially to assist with drill targeting. Although Ni concentrations in the massive sulphides at One Tree Hill are low, presence of higher grade Ni zones within a potentially much larger mineralised system are possible, as has previously been invoked for the Succoth deposit.

Other Activities

Further interpretation of Succoth is underway to determine the potential for high-grade mineralisation and/or nickel mineralisation. The large copper resource at Succoth provides several development options to complement Nebo-Babel and provides enormous leverage to the copper market. The Company is continuing to review the historical drill database, containing over 225,000m, to generate the next round of exploration targets.

West Arunta Project (100% CZI)

The West Arunta Project is a highly prospective base and precious metals target in an underexplored region near Lake McKay in Western Australia. Cassini is targeting large-scale, sedimentary Zn-Pb mineralisation, similar to those deposits found in the Mt Isa region in Queensland. A high-resolution, helicopter-borne, Airborne Electromagnetic (AEM) survey was completed during the Quarter.

Drilling by Cassini in 2016 tested several zinc anomalous outcrops identified through surface mapping and sampling. This drilling suggested that the West Arunta has potential to host sedimentary zinc mineralisation, although the zinc anomalous outcrops were interpreted to be the result of hydromorphic dispersion in the regolith from a nearby primary source. The Company engaged independent contractor NRG to fly their Xcite system, over the entire prospective horizon, striking over 35km, for a total of 1,000 line km. The survey will assist with mapping the regolith profile and the definition of key prospective stratigraphic positions, as well as potentially directly identifying base metal mineralisation.

With the long-term outlook for the zinc price to remain strong due to current supply deficits, the West Arunta Zinc Project remains a key exploration asset for the Company. Cassini has a 'first-mover' advantage, due to minimal historic exploration in the region and has built this project from conceptual model to proof-of-concept over the past few years. The Company looks forward to this exciting exploration phase of identifying primary sedimentary zinc mineralisation.

Final results and interpretation of the AEM survey remain pending. The Company has also won funding through the WA Government Exploration Incentive Scheme for co-funded drilling at the Janus gravity anomaly which the Company believes may represent a dense body of base metal mineralisation, close to the anomalous surface Zn enrichment at the Enceladus Prospect. The Company ***plans*** to complete this drilling by the end of June 2018 following completion of heritage surveys in May.

Yarawindah Brook Ni-Cu-Co Project (CZI option to acquire 80%)

Cassini has entered an option agreement to earn into the Yarawindah Brook Project through private company Souwest Metals Pty Ltd (Souwest), a company associated with Kalgoorlie prospector Mr Scott Wilson.

Yarawindah Brook is located 130km northeast of Perth, in ***agricultural*** land near the township of New Norcia. The Project has had only limited nickel, copper and cobalt exploration despite a favourable regional setting, prospective geology and near-surface occurrences of nickel and copper. Historic exploration has focussed primarily on a small platinum and palladium (PGE's) resource which the Company views as a 'path-finder' anomaly for massive nickel - copper - cobalt sulphides. Exploration for nickel and copper has been sporadic, however the most recent drilling in 2007 targeting surface EM anomalies, returned encouraging results from hole YWRC0083 including 7m @ 1.30% Ni, 0.22% Cu, 0.06% Co and 432ppb Pd from 74m. Despite the promising result no further follow-up drilling was conducted due to budget limitations of the previous operator during the exploration downturn post-GFC.

Historic drilling has identified primary nickel and copper mineralisation over a strike length of at least 2km, with only a handful of these holes deeper than 100m. In addition, reconnaissance rock chip sampling has identified other anomalous nickel outcrops on the project that are yet to be drilled. Rock chip samples have reached up to 0.49% Ni.

Cassini has taken an option to earn an 80% equity interest in the project through payment of an Option Fee of $ 50,000 (including reimbursement of costs) and committing to spend a minimum of $ 250,000 on the project prior to 30 March 2019. If Cassini decide to progress and acquire 80% of the shares in Souwest, a further payment of $ 300,000 in cash or Cassini shares (at Cassini's election) will be made. Souwest will be free-carried until a decision to mine is made.

Work ***Program***

Cassini has compiled all previous drilling as well as numerous geophysical surveys into a consolidated database. Re-modelling of this data has shown that a number of EM conductors have not been tested by previous drilling, with a number of holes either not hitting or only intersecting the margins of the conductor, which appears to be the case for YWRC083. These conductors appear to plunge between existing drill holes and are a priority for further exploration targeting massive nickelcopper-cobalt sulphide. Additional EM conductors are also yet to be adequately tested at four other localities within the project. To date, all conductors have proven to be associated with magmatic sulphides.

The surface EM coverage completed to date has been limited and has not effectively covered the project area, particularly the ultramafic basal contact zone which is a highly prospective position for the accumulation of nickel sulphides. Re-interpretation of the geology and targeting is continuing.

An Airborne Electromagnetic Survey survey has been completed by independent contractor NRG utilising their Xcite system. The aim of the survey was to expand the EM coverage over the entire mafic-ultramafic intrusive and to test down dip, beyond the depth of the previous EM system. Results and interpretation of the survey are due imminently. An RC drilling ***program*** is intended to follow to test new and existing conductors in the second half of the year.

Cassini views the Project as an excellent opportunity to apply its geological expertise and learnings in nickel-copper systems from the West Musgrave Project to an apparently similar mineralised system with only limited modern exploration. Further, the project is conveniently located adjacent to roads and power, providing development advantages if exploration proves successful. The project provides Cassini with further exposure to nickel, copper and cobalt, three critical components of advanced technology and a decarbonised future.

Mount Squires Gold Project (100% CZI)

No activity during the quarter due to prioritisation of ***programs*** at West Arunta and Yarawindah Brook

Contact:

Richard Bevan

Tel: +61 8 6164 8900

Email: [*admin@cassiniresources.com.au*](mailto:admin@cassiniresources.com.au)

About Cassini

Cassini Resources Limited (ASX: CZI) is a base and precious metals developer and explorer based in Perth. In April 2014, Cassini acquired its flagship West Musgrave Project (WMP), located in Western Australia. The Project is a world-class asset which currently has over 1.0 million tonnes of contained nickel and 2.0 million tonnes of contained copper in Resource. The Project is a new mining camp with three existing nickel and copper sulphide deposits and a number of other significant regional exploration targets already identified. The WMP is the largest undeveloped nickel - copper project in Australia.

In August 2016, Cassini entered into a three-stage $ 36M Farm-in/Joint Venture Agreement with prominent Australian mining company OZ Minerals Ltd (ASX: OZL). The Joint Venture provides a clear pathway to a decision to mine and potential cash flow for Cassini. Cassini is also progressing its Mt Squires Gold Project and an early stage zinc exploration project in the West Arunta region both located in Western Australia.

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** May 7, 2018

**End of Document**



[***Register of Commission documents: Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions My region, My Europe, Our future: The 7th report on economic, social and territorial cohesion Document date: 2017-10-09 COM\_COM(2017)0583 COM documents***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R36-J7G1-F0YC-N0X4-00000-00&context=1516831)

Impact News Service

November 30, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 5183 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN EN EUROPEAN COMMISSION Brussels, 9.10.2017 COM(2017) 583 final REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS My region, My Europe, Our future: The 7th report on economic, social and territorial cohesion {SWD(2017) 330 final} 1 INTRODUCTION This report fulfils two requirements : (1) It reports on how cohesion has evolved in EU regions over the recent past and assesses the impact on this of national policies, cohesion policy and other EU policies as required by the Treaty on the Functioning of the European Union1. The accompanying Staff Working Document (SWD) consists of 6 chapters: on economic development, social inclusion, sustainable development, improving institutions, national policies and cohesion, and the impact of cohesion policy. The impact of other EU policies is considered in the first four chapters. (2) It reviews the measures linking the effectiveness of the European Structural and Investment (ESI) Funds to sound economic governance, as required by the Regulation on Common Provisions with regard to the Structural Funds2. This review is summarised in Section 9 below and set out in full in Section 5.3 of the SWD. 1. REGIONAL DISPARITIES ARE NARROWING AGAIN After the double dip recession in 2008 and 2011, the EU economy is now growing again. The crisis seriously affected almost all Member States.

It halted the long-term reduction in disparities in GDP per head between Member States. With the beginning of the recovery, however, these disparities have started to shrink again with growth everywhere, and higher rates in countries with lower levels of GDP per head. The first signs of narrowing disparities are also evident at regional level across the EU. From 2008 onwards, regional disparities in employment and unemployment rates widened along with those in GDP per head. In 2014, disparities in employment started to narrow, followed by disparities in GDP per head in 2015. Nevertheless, many regions still have a GDP per head and an employment rate below pre-crisis levels. Between 2000 and 2015, GDP per head in many less developed regions converged towards the EU average through faster productivity growth, but they lost employment. The manufacturing sector in these regions has for the most part performed well, which has helped firms to compete both inside the Single Market and globally. To ensure that their convergence continues, these regions will have to move up the value chain to activities with a higher skill, technology and innovation content, especially because globalisation and technological change3 could quickly undermine their economic performance. 1 (Hereinafter referred to as 'the Treaty'), see Article 175. 2 Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European ***Agricultural*** Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund (…) (OJ L 347, 20.12.2013, p. 320), see Article 23. 3 European Commission 'Reflection Paper on Harnessing Globalisation' - COM(2017) 240 final, 10.5.2017 2 The regions with GDP per head well above the EU average have grown faster than the less developed ones through a combination of both productivity and employment growth. As most of the higher GDP per head regions contain a national capital or a large city, they benefit from agglomeration economies while a bigger labour market makes for a better matching of skills. The concentration of activities attracts specialised services and suppliers. Infrastructure investment in transport and ICT generates higher returns, while the spatial proximity of firms ***produces*** more innovation and knowledge spillovers. These benefits can be extended by improving links between large cities and their rural hinterland or between smaller cities, where the sharing of specialised services can give rise to economies of scale. Several of the regions with a GDP per head close to the EU average, however, seem stuck in a ‘middle-income trap’. On average, GDP per head fell between 2000 and 2015 relative to the EU average in many of these regions (see Maps 1 and 2). Their manufacturing sector is smaller and weaker than in regions with both a lower and higher GDP per head. Their costs tend to be too high to compete with the former and their regional innovation systems not strong enough to compete with the latter. To improve their performance, multiple changes need to happen at the same time: a stronger export-orientation, a shift into new sectors and activities, a boost to research and innovation, an increase in education and training and an improvement in the business environment. Globalisation has caused substantial job losses in many of the regions, but the provision of training alone to workers laid-off does not ensure new job creation and the structural transformation needed. 2. EMPLOYMENT HAS RECOVERED, BUT UNEMPLOYMENT IS STILL ABOVE ITS PRE-CRISIS LEVEL In 2016, the employment rate of those aged 20-64 in the EU exceeded the pre-crisis level for the first time. At 71%, it is 1 percentage point higher than in 2008 but still well below the 75% target for 2020 set by the Europe 2020 strategy. The situation, however, varies markedly across the EU. The unemployment rate across the EU has fallen from a high of 10.9% in 2013 to 8.6% in 2016 and 7.7% in 2017, still above the 7% it was in 2008. In some countries, the rate is lower than in 2008, but in others it is still at least 5 percentage points higher. Regional disparities in unemployment rates had not narrowed up to 2016, but they had largely ceased to widen. However, in particular people under 25 still face problems getting a job (see Map 3). Although there was some move towards the Europe 2020 targets between 2010 and 2015, the rate of progress is not enough to achieve them by 2020. The more developed regions are closest to achieving them, but less developed regions made more progress towards them up to 2015. The transition regions (those in between) made almost no progress up to then and will be overtaken by the less developed regions by 2020 if the trends persist. Rural areas are furthest from meeting the EU targets, but they made more progress than the cities, towns and suburbs up to 2015. 3 Map 1 Change in GDP per head index, 2000-2008 Map 2 Change in GDP per head index, 2009-2015 4 Map 3 Population aged 15-24 not in employment, education or training, 2016 3. SOME REGIONS HAVE RAPID POPULATION GROWTH WHILE OTHERS DEPOPULATE For the first time, deaths outnumbered births in the EU in 2015, which strengthens the impact of migration and mobility on regional population. The big differences in unemployment and income across the EU encourage people to move to find better job opportunities and/or escape unemployment and poverty. Movements have predominantly been from the EU-13 to the EU-15 and within the EU-13 from rural regions to capital and other large cities. In several regions, this has led to rapid changes in population, 5 which has put pressure on public infrastructure and services either to up or downscale them. In the recent past, the EU has also seen a rapid increase in people applying for asylum, reaching 1.2 million first-time applications in both 2015 and 2016. Ensuring that all refugees or migrants legally residing in the EU are effectively integrated is important for cohesion and future prosperity. Improving their skills to help them find a job, helping them to set up a business, providing them with better access to finance and tackling discrimination are all key achieving this. Map 4 Change in population in NUTS 3 regions, 2005-2015 6 4. CITIES COMBINE OPPORTUNITIES WITH CHALLENGES Despite the growing concentration of jobs in cities, the share of low work intensity households is the highest in EU-15 cities. The risk of poverty or social exclusion in the EU has fallen back to its pre-crisis level. In the EU-13, it is even lower than before the crisis, but in the EU-15 it remains higher than before in cities, towns and suburbs. This highlights the fact that pockets of poverty4 exist even in relatively well-off cities. Cities are more efficient in terms of energy and land-use5 and offer the possibility of a low-carbon lifestyle. At the same time, air pollution with all its damaging effects on human health remains a concern in many European cities. Integrated strategies can make a big impact in cities. For example, improving urban transport can reduce congestion, make firms more productive and connect deprived neighbourhoods. Institutes of higher education can help to integrate migrants, promote innovation and provide skills missing in the local labour market. Nature based solutions, such as urban green spaces can improve quality of life, air quality and bio-diversity. 5. INVESTMENTS IN INNOVATION, SKILLS AND INFRASTRUCTURE ARE INSUFFICIENT Overall, innovation in the EU remains highly concentrated in a limited number of regions (see Map 5). In north-western Member States, good interregional connections, a highly skilled labour force and an attractive business environment have allowed neighbouring regions to benefit from their proximity to the regions concerned. In southern and eastern Member States, the innovation performance is weaker and regions close to centres of innovation — mainly the capitals — do not benefit from their proximity. This calls for policies that connect firms, research centres and specialised business services across regions. Investing more in skills could help to improve economic growth by narrowing the skills gap and help to reduce poverty, youth unemployment and social exclusion. Public investment in the EU is still below its pre-crisis level with major gaps in some of the countries most affected by the crisis. More investment will be needed to complete the trans-European Transport network (TEN-T) and the connections to this. Basic broadband services are accessible to all households in the EU, but next generation access — which is much faster — is only available to 40% of rural residents compared to 90% of urban ones. 4 European Commission 'Reflection Paper on the Social Dimension of Europe' - COM(2017) 206 final, 26.4.2017 5 European Commission and UN-Habitat: The State of European cities report, 2016. 7 Map 5 Regional innovation performance, 2017 6. MORE INVESTMENTS NEEDED IN ENERGY EFFICIENCY, RENEWABLES AND LOW-CARBON TRANSPORT TO REDUCE GREENHOUSE GAS EMISSIONS Substantial progress has been made in limiting energy consumption and greenhouse gas emissions. Most Member States have either reached or are close to reaching their national 2020 targets for greenhouse gas emissions and renewable energy. This in part has been facilitated by the crisis reducing economic activity. The current recovery may, therefore, put these achievements in jeopardy. Reaching the more ambitious EU targets of a 40% reduction of greenhouse gas emissions and 27% share of renewable energy by 8 2030 will require greater effort. The recent climate agreement (COP21) also commits governments to assessing every 5 years whether more ambitious targets are needed. To reach the EU target for reducing greenhouse gas emissions, there is a need to shift towards more energy efficient and cleaner transport and to make more efficient use of existing transport infrastructure. Roads remain the predominant mode of transport for both passengers and freight and more needs to be done to increase the use of rail and waterways as well as public transport6. Climate change will have significant effects on many EU regions. It will give rise to changes in the environment which will often be costly to adapt to and which will necessitate substantial investment to make regions more resilient to the consequences. The state of the environment in the EU has improved in recent years7. Nevertheless, key environmental objectives such as renewable energy, energy efficiency, air quality and in some Member States waste water treatment remain unfulfilled. 7. COOPERATING AND OVERCOMING OBSTACLES ACROSS EU BORDERS The EU has always supported territorial cooperation which has played a crucial role both in mitigating the adverse effects of internal borders and in providing Europeans with innovative solutions as regards research, environmental issues, transport, education, energy, healthcare, security and training. Territorial cooperation can also help countries and regions to identify solutions to common problems including those linked to new global challenges. Cooperation ***programmes*** have contributed to enlarging the knowledge-based economy across Europe by increasing R&D capacity and transfers of know-how between regions, stimulating investment in SMEs and diversifying local economies. They have improved accessibility across borders, the joint management of natural resources and environmental protection. However, despite the elimination of many institutional and regulatory barriers, borders continue to represent obstacles to the movement of goods, services, people, capital and ideas. Removal of such barriers could boost economic growth and improve access to services in the regions concerned, but it would also help European economies to fully reap the benefits of integration8. 8. IMPROVING THE QUALITY OF GOVERNMENT AND IMPLEMENTING STRUCTURAL REFORMS WOULD BOOST GROWTH Low quality of government hinders economic development and reduces the impact of public investment, including that co-financed by cohesion policy (see Chapter 4). Government efficiency differs between Member States. There are also significant 6 European Commission: ''Assessment of the progress made by Member States in 2014 towards the national energy efficiency targets for 2020' - COM(2017) 56 final, 1.2.2017 7 European Environmental Agency: State of the Environment and Outlook, 2015. 8 Politecnico di Milano (2017) Quantification of the effects of legal and administrative border obstacles in land border regions. 9 disparities within a number of them (see Map 6). Improving institutions would amplify the impact of cohesion policy. Structural reforms that improve competition, the business environment, education and skills9, labour markets and social protection systems can have major benefits in terms of productivity and employment growth. This is particularly relevant for regions and countries where productivity has barely improved over the past decade10. Reforms requiring mainly regulatory and administrative changes with no investment, however, are currently not linked to cohesion policy. According to the Doing Business report11 there are marked differences between how business-friendly Member States are. The state of the business environment can also vary within countries due to differences in the efficiency of local authorities. Open and transparent public procurement is essential to promote development and reward the most efficient firms. However, the use of open procedures, the intensity of competition and the speed of decision-making as well as the risk of corruption varies markedly between regions. To boost economic development and the impact of cohesion policy in EU regions, the efficiency and transparency of public institutions as well as the effectiveness of justice systems need to be improved. Reforms are also needed to reduce regulatory obstacles and improve the functioning of the labour market. 9 European Commission 'A new skills agenda for Europe' - COM(2016) 381 final, 2.6.2016 10 European Commission ‘Competitiveness in low-income and low-growth regions - The lagging regions report' - SWD(2017) 132 final, 10.4.2017 11 World Bank. 2017. Doing Business 2017: Equal Opportunity for All. 10 Map 6 European Quality of Government Index, 2017 9. NATIONAL PUBLIC INVESTMENT HAS NOT YET FULLY RECOVERED The EU economy is gradually recovering from a protracted period of crisis which featured a significant reduction in investment in many Member States and regions. Total investment as a share of GDP fell and has hardly grown since. As the EU economy has recovered, government debt in Member States has started to decline from a peak of 87%, but is still well above its level in 2007 of 58%. As a result of pressure on public finances, public investment in the EU fell from 3.4% of GDP in 2008 to 2.7% in 2016. In a number of Member States, the reduction in growth-friendly expenditure has been substantial. Since most of these Members States have a GDP per 11 head below the EU average, the reduction could put at risk disparities across the EU narrowing in the future. Public investment was at the core of the negotiations on the current legal framework of the ESI Funds. One of the major objectives was to improve the consistency between the Funds and European economic governance with the aim of ensuring that the effectiveness of expenditure financed by them is underpinned by sound economic policies. For this reason, Article 23 of Regulation (EU) No 1303/2013 provides the Commission with (i) the power to request changes in ***programmes*** to address economic policy priorities recommended by the Council and (ii) the obligation to suspend the funds in cases of non-effective action by the Member State to address an excessive government deficit or excessive macroeconomic imbalance. The SWD assesses the application of this article and explains why a legislative proposal to modify it is at this stage not deemed necessary by the Commission (see Chapter 5). 10. COHESION POLICY’S KEY ROLE IN PUBLIC INVESTMENT REDUCED THE IMPACT OF CRISIS Cohesion policy is the EU’s main investment policy, providing funding equivalent to 8.5% of government capital investment in the EU, a figure which rises to 41 % for the EU-13 and to over 50 % for a number of countries (see Graph 1). This investment adds value at the European level by contributing to:  The Treaty objective of reducing disparities, notably in terms of income per head and living standards as well as social inclusion and employment opportunities.  European public goods such as innovation and digital infrastructure, skills, addressing climate change, disaster risk reduction, energy and environmental transition, healthcare and social investment, public and smart transport.  Spillovers benefits to non-cohesion countries from the increased trade generated and from cross-border, transnational and inter-regional ***programmes***. The strong EU added-value of cohesion policy was emphasised by many of the speakers at the Cohesion Forum in June 2017 who stressed that it helped less developed regions to catch up and all regions to invest in EU priorities and address new challenges. The impact of Cohesion Policy on the EU economies is significant and the effects of investments build up over the long term. For the EU-12 countries (i.e excluding Croatia), the QUEST model estimates that investment for the 2007-2013 period increased their GDP by 3% in 2015, and by a similar amount for the 2014-2020 period12 in 2023. 12 This time for the EU-13, i.e including Croatia. 12 Figure 1 Cohesion policy funding as an estimated share of public investment, 2015-2017 Source: Eurostat and REGIO This has contributed to a significant convergence of GDP per head in these countries13. In the EU-12, this increased from 54% of the EU average in 2006 to 67% in 2015. Moreover, the 2007-13 ***programmes*** led directly to the creation of 1.2 million jobs in supported enterprises. The non-cohesion countries also benefit from spillovers generated by investments in cohesion countries both directly (through selling investment goods) and indirectly (through higher income and therefore increased trade). By 2023, 2007-2013 ***programmes*** are estimated to add 0.12% to GDP in non-cohesion countries, a quarter of which is due to spillovers from spending in cohesion countries. This effect is particularly pronounced for Austria and Germany because of their close trading links. The 2014-2020 ***programmes*** ***plan*** to support 1.1 million SMEs, leading directly to the creation of a further 420 000 new jobs14. The ***programmes*** ***plan*** to help more than 7.4 million unemployed people to find a job and to help another 2.2 million people within six months of completing training co-funded by the ***programmes***. In addition, the ***programmes*** will help over 8.9 million people gain new qualifications. 13 In purchasing power standards. 2006 was chosen as the baseline year, since it was the year preceding the 2007-2013 ***programmes***, as well as the year preceding the accession of Bulgaria and Romania. 2015 was the latest year for these data series at the time of publication. 14 The number of new jobs of this period is lower compared to last period because a) innovative, sustainable and high added value jobs are targeted and b) the number at the end of the period is typically considerably higher than the number estimated at the start of the period. See Communication 'Strengthening Innovation in Europe's Regions Strategies for resilient, inclusive and sustainable growth' - COM(2017) 376 final, 18.7.2017 0%10%20%30%40%50%60%70%80%90%PortugalCroatiaLithuaniaPolandLatviaHungarySlovakiaBulgariaRomaniaEstoniaCzechRepublicGreeceMaltaSloveniaCyprusSpainItalyEstimated share of the European cohesion policy on public investment, 2015-2017 13 Significant funding is being invested in the digital economy, where EUR 16 billion is earmarked for the development of e-government, ICT services and applications for SMEs, high speed broadband, smart grids and intelligent energy distribution systems, and large scale data centres. Such investment is expected to provide 14.5 million additional households with broadband access. Cohesion policy is making a substantial investment in environmental protection and energy efficiency. An extra 17 million people are ***planned*** to be connected to wastewater treatment facilities, and 3.3 million more to smart grids, while 870 000 households will be helped to reduce their energy consumption. Moreover, investment in transport will remove bottlenecks, reduce travel times and lead to more urban trams and metros. The ***programmes*** ***plan*** to renovate more than 4 600 km of TEN-T railway lines, construct 2 000 km of new TEN-T roads and construct or improve 750 km of tram and metro lines. Cohesion policy is also making a substantial investment in social infrastructure. Some 6.8 million children will gain access to new or modernised schools and childcare facilities and 42 million people to improved healthcare services. Territorial cooperation ***programmes*** are expected to see 240 000 people participate in cross-border mobility initiatives and 6 900 businesses and 1 400 research institutions in research projects. Several measures to improve the quality of investments have been introduced for the 2014-2020 period:  Ex ante conditionalities, which are preconditions attached to the ***programmes*** and which tackle the major systemic bottlenecks hindering effective public investment. These have led to the speeding up of ongoing reforms and the initiation of additional reforms. They have also strengthened the administrative capacity to implement EU rules relating to public procurement, state aid, environmental legislation and anti-discrimination15.  Smart specialisation, which is the most comprehensive decentralised, innovation and industrial policy in Europe today. It brings together the key players — the research community, business, higher education, public authorities and civil society — to target support in line with local potential and market opportunities. The goal is to achieve critical mass, innovation and a move up the value chain.  A stronger focus on results, which means that ***programmes*** must set specific objectives, translated into clear result indicators with targets and benchmarks. Regular reports show whether the ***programmes*** are achieving their goals and key indicators can be tracked online on an open data platform to check their progress. There is also a performance reserve which can be released if pre-set targets are met. The funding allocated to projects selected by the 2014-2020 ***programmes*** up to July 2017, amounts to 39% of the total available. Though this is similar to the previous period, implementation has been slow which suggests that simplification and capacity concerns need to be further addressed. It is still too early to monitor progress towards 15 European Commission 'The Value Added of Ex ante Conditionalities in the European Structural and Investment Funds' - SWD(2017) 127 final, 31.3.2017 14 achieving targets which will only become apparent once more projects have been completed. 11. COHESION POLICY AND THE FUTURE OF EUROPE The White Paper on the Future of Europe16 launched a debate on which direction the EU should take in the coming years. Together with its 5 reflection papers, it covers three main linked questions relating to cohesion policy: 1) Where should it invest? 2) What should the investment priorities be? 3) How should the policy be implemented? These questions are summarised below in relation to the challenges identified in the present report. Two important agreements which cohesion policy needs to take account of are the COP21 agreement on climate change and the UN Sustainable Development Goals for 2030. The Commission’s reflection paper on the future of EU17 finances poses the question of whether cohesion policy should invest outside less developed regions and cross-border ones. From its inception, cohesion policy has had a particular focus on less developed regions and territorial cooperation. It has also invested in other areas that are mentioned in the Treaty, such as areas undergoing industrial transition, rural areas and the outermost regions. It has invested too in areas of high unemployment and deprived urban areas. For the last two ***programming*** periods, Cohesion Policy has covered all regions. The present report shows that the impact of globalisation, migration, poverty and a lack of innovation, climate change, energy transition and pollution is not limited to less developed regions. Future funding for cross border cooperation should continue to focus on areas of particular EU value added and resolve cross-border problems, such as gaps and missing links in different policy fields, including transport. Finally, the pooling of joint public services in neighbouring border regions and institution-building needs could also be taken into account18. The reflection paper on EU finances states, more generally, that all EU funding needs to focus on areas where the highest EU value-added can be achieved. Social inclusion, employment, skills, research and innovation, climate change, energy and environmental transition are identified as the areas which cohesion policy needs to focus on. In addition, the reflection paper highlights other areas where cohesion policy has a positive impact, such as support for SMEs, healthcare and social infrastructure, transport and digital 16 European Commission 'White paper on the Future of Europe Reflections and scenarios for the EU-27 by 2025' - COM(2017) 2025 final, 1.3.2017 17 European Commission 'Reflection paper on the future of EU finances' - COM(2017) 358 final, 28.6.2017 18 European Commission 'Boosting growth and cohesion in EU border regions' - COM(2017) 534 final, 20.9.2017 15 infrastructure. Last but not least, it underlines the need to address migration and globalisation. Both the reflection paper and the present report argue that poor institutional quality reduces competitiveness, the impact of investment and economic growth. Improving the quality of government, implementing structural reforms and strengthening administrative capacity should be further emphasised. They stress that the link with economic governance and the European Semester may need to be strengthened to ensure that the system is simpler, transparent and provides positive incentives to implement concrete reforms to foster convergence. This may require new approaches, for example through better coordination of available instruments and closer involvement of the Commission. The lagging regions initiative19 contained several successful elements which could be extended. The need to improve institutions is also demonstrated by calls to make the disbursement of EU funds conditional on legislation and institutions adhering to common EU values. In addition to the issues raised above about the territorial coverage and investment priorities, the reflection paper considers a number of options to improve the implementation of cohesion policy:  A single set of rules for existing funds, would ensure more coherent investment and make it easier for beneficiaries. Coherence could also be improved by a single rule book for cohesion policy and other funding instruments with ***programmes*** or projects of the same type. This should lead to stronger complementarity between cohesion policy and innovation or infrastructure funding.  The system of allocation of the funds could be revised by adding criteria linked to the challenges the EU faces, from demographics and unemployment to social inclusion and migration, from innovation to climate change.  The levels of national co-financing for cohesion policy could be increased to better align them for different countries and regions and to increase the sense of ownership in the policy.  An unallocated proportion of funding could make cohesion policy more flexible and able to respond to new challenges more quickly.  Faster implementation and a smoother transition between ***programming*** periods could be achieved by changes, such as stricter decommitment rules, shortening procedures for closing ***programmes*** and speeding up the processes for appointing the management authorities and for ***programming*** and making them more flexible.  Complementarity between financial instruments could be enhanced. Upstream coordination, the same rules and clearer demarcation of ***interventions*** could ensure complementarity between the European Fund for ***Strategic*** Investment, the new pan-European Venture Capital Fund and the loan, guarantee and equity instruments managed by Member States under cohesion policy. 19 European Commission 'Competitiveness in low-income and low-growth regions: The lagging regions report' - SWD(2017) 132 final, 10.4.2017 16  Finally, the policy has become increasingly complex to manage. Therefore, a much more radical approach to simplifying implementation is needed. Next, cohesion policy stakeholders and the general public will be invited to participate in the public consultation as part of the impact assessment. In May 2018, the Commission ***plans*** to adopt the proposal for the multi-annual financial framework, followed by the proposals for cohesion policy post 2020.

**Load-Date:** December 2, 2017

**End of Document**



[***Washington: COUNTERING IRAN'S DESTABILIZING ACTIVITIES ACT OF 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-9YR1-F0YC-N1NR-00000-00&context=1516831)

Impact News Service

June 14, 2017 Wednesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 14996 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate resume consideration of S. 722. The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill. The senior assistant legislative clerk read as follows: A bill (S. 722) to impose sanctions with respect to Iran in relation to Iran's ballistic missile ***program***, support for acts of international terrorism, and violations of human rights, and for other purposes.

Pending: McConnell (for Crapo) amendment No. 232, as modified, to impose sanctions with respect to the Russian Federation and to combat terrorism and illicit financing. The PRESIDING OFFICER. The Senator from Arizona. U.S Travel to Cuba Mr. FLAKE. Mr. President, rumor has it that on Friday the President will announce a change in U.S policy toward Cuba. There are lots of different rumors about what that might entail. I thought I would talk for just a couple of minutes about the consequences of such action, what has been accomplished in Cuba, what our goals are, and what I think our goals should be. We have had a long policy of isolation with regard to Cuba. For more than 50 years, we tried to isolate the island and hoped the government would change somehow. It didn't. For more than 50 years, we have prohibited Americans from freely traveling to Cuba. We have had periods that the restrictions have gone down a bit and then up again, but by and large Americans have been prohibited, unless they fall into certain classes, to travel to Cuba. Then, when they are in Cuba, their travel around the island, the activities they undertake, are specifically prescribed by the U.S Government. I always thought that certainly there is a place for economic sanctions. Sometimes they can help nudge countries or push countries toward a desired outcome--but a travel ban? You only impose a travel ban under extreme circumstances, such as when national security reasons dictate, and there hasn't, for a long time, been national security reasons for a travel ban. I have always thought that as an American citizen that if somebody is going to limit my travel, it ought to be a Communist, somebody from another country that wouldn't let me in, not my own government to tell me where I can and cannot travel. I think most Americans feel that way. I think we ought to first consider whom these sanctions are on. The sanctions we have had for so many years have not really been on Cubans; they have been on Americans. Gratefully, the previous administration lessened these restrictions or lessened the impact around them. Around 2008 or 2009, the last administration said that Cuban Americans should be able to travel freely at least. Prior to that, we had instances where Cuban Americans would have to decide, if their parents, for example, were still in Cuba and were aging, maybe their mother was infirm--they had to decide if my mother passes away, do I attend her funeral or if my father passes away within 3 years--see, it used to be that Cuban Americans were limited to travel to the island just once every 3 years. They had to decide whether to attend their mother's funeral or their father's funeral. What a terrible thing for our government to tell American citizens, that they have to choose whether to attend their father's funeral or their mother's funeral. What kind of a country is that? Why would we do that? Yet we did for a number of years. Gratefully, the last administration lifted restrictions on Cuban- American travel and at the same time lifted considerable restrictions on remittances, allowing money to flow more freely to relatives and others on the island. That coincided with the time the Cuban Government realized they couldn't employ every Cuban, not even at $20 a month, so they said: Go ahead and find another line of work in the private sector, run a bed and breakfast, have a private restaurant, have an auto repair facility or a beauty shop. Hundreds of thousands of Cubans have done so over the past 5 years, largely with seed capital provided by travel from Americans, particularly Cuban-American travel and remittances. So there was a situation where virtually no Cuban was employed in the private sector 5 years ago, but today as much as 25 percent of the Cuban workforce is now in the private sector. They have obviously more economic freedom. The average waiter in a Cuban private restaurant brings in $40 to $50 a day, while the average Cuban working for the Cuban Government brings in $20 to $30 a month. So there is significantly more economic freedom for those in the private sector in Cuba but also significantly more personal freedom as well. That is a good thing. That stands with the policy and goal we always had to increase freedom for the Cuban people. Now we hear that the administration may want to turn back some of that progress and say that Americans shouldn't be able to travel as freely or as frequently to Cuba. Some of the rumors say they will limit travel to once a year. We don't know if that will be for Cuban Americans or all Americans. By the way, it seems rather strange to have a policy that is ethnically based, where we say: You are a Cuban American, you can travel, but if you are another type of American, you can't. That just seems pretty un-American. We can't get back into a situation where a Cuban American, living in the United States, will have to choose whether they can attend their mother or their father's funeral. I hope we don't get back into that time. Another thing we ought to consider is that when Americans travel more freely, as they have been able to do under what is called a general license for individual travelers--that was one of the changes that was made in just the past couple of years--then individual American travelers tend to go to Cuba and stay in a bed and breakfast run by a private Cuban citizen, travel in private taxi cabs, frequent a private restaurant. My own family has done that. If we go back to the time when American travelers have to travel under a specific license or as a group, then those travelers will be pushed toward the Cuban hotels which are owned by the Cuban Government or military. Therefore, you have aided the Cuban Government more than the Cuban people. Under no system will you be able to cut off money completely from the Cuban Government or the private sector. There is leakage everywhere. That is how economies work. Why in the world do we have a policy where we directly benefit the Cuban Government [[Page S3441]] by pushing American travelers to the hotels they own rather than the private homes owned by private Cuban citizens? It seems to me these policies, if they are going to come forward--and it seems that they might be--just go against the policies and the goals we have. Another thing we need to consider is that in the old times, when we had more restrictive policies on travel on Americans, those had to be enforced somehow. That falls upon the Office of Foreign Assets Control at Treasury. OFAC, you may have heard recently, is the office we charge to enforce our sanctions on Iran. We are putting new sanctions on Iran. They will be charged with enforcing those. They will be charged with enforcing sanctions on Russia and new sanctions on Russia as well. Sanctions on North Korea, again, falls to OFAC. Yet we are telling OFAC that now they are going to have to spend a considerable amount of time and resources and manpower tracking down people going to Cuba to see if they stick to their designated, approved itinerary, whatever that might be, whatever we think they ought to be doing there, rather than what they want to be doing there. That just seems foolish to me and a waste of money, time and resources, and wrongheaded priorities with regard to other priorities that we have on sanctions. We had situations in previous years that would simply be laughable if they weren't true, but I think the administration ought to consider that when we have a restrictive policy on travel, we are going to have situations that are just flat embarrassing to us. If that sounds crazy, it doesn't sound crazy to Joan Slote of San Diego, who traveled to Cuba in the year 2000 at the age of 72 with a Canadian company that organized cycling tours. She was fined $7,500 in the United States because she hadn't preapproved the itinerary and didn't follow the guidelines. She went through a Canadian company to do that. The subsequent fees totaled nearly $10,000. I think it was settled for something less, but why in the world are we sanctioning and fining a 72-year-old woman who went on a biking tour in Cuba. Consider the case of Cevin Allen in the State of Washington. He spent part of his childhood in Cuba, where his parents were missionaries. They built an Assembly of God Church in a town in southeastern Cuba. His parents died in 1987 in a house fire. Ten years later, Allen traveled to Cuba to scatter the ashes of his parents at the church they had built. He also brought a family Bible to give to the church's pastor. Cevin returned to the United States via Nassau, Bahamas, where he told U.S agents he had just been to Cuba. He told them the reasons for his travel. His initial fine was $7,500. Do we really want to be fining people who are scattering the ashes of their parents? These aren't isolated incidents. This went on for a while. A woman from Indiana was fined for distributing Bibles in Cuba because her itinerary didn't include a trip to the beach. She went to the beach, I am told, to participate or to watch a baptism that was happening at that time. Why in the world would we try to limit that kind of travel? Yet that is what we would be doing if we go back to restricting travel. Maybe these rumors are overblown. Maybe we will not be imposing new restrictions on travel, but if we are, I hope the administration will consider these things. There is another rumor out there that we know that if we diminish American travel, therefore diminishing the amount of money that goes to these Cuban entrepreneurs who are running bed and breakfasts and private restaurants, then we can make up for it somehow by having some of our government agencies teach entrepreneurship classes. Anybody who has been in Cuba understands that Cubans who have survived on $20 a month for decades are more entrepreneurial than we will ever be. They don't need lessons in entrepreneurship, they need customers, and by denying Americans the freedom to travel to Cuba, we will be denying them customers, and they will be worse off. Their political freedom will be diminished. Their economic freedom will be diminished. Their personal freedom will be diminished. That is not what we want. Obviously, we want the Cuban Government to change. It has been disappointing, the rate of change. Why would we take it out on the Cuban people? Don't they have it tough enough with a Communist government that wants to control and keep that control as long as they can? Why don't we continue to help the Cuban people as they have been helped over the past couple of years? We also want to consider the cooperation we have with the Cuban Government with regard to issues such as drug interdiction, environmental cooperation, immigration enforcement. In the past couple of years, we had a lot of Cubans rafting to South Florida because of the wet foot, dry foot policy. We have had tens of thousands of Cubans crossing the Mexican border to make it to Arizona or Texas or California or New Mexico to claim or to be paroled into our system and ultimately perhaps to get citizenship. Because of agreements we have had and the diplomatic cooperation we have had over the past couple of years, and specifically over the past couple of months, we have been able to reach an agreement where we don't have that kind of migration and those kinds of issues. So there are tangible benefits to the diplomatic cooperation we have had. I am told we are not going to touch that; that we are not going to roll back. We have diplomatic relations and that is a good thing. We don't want to go back to the time where instead of an embassy, we had a special interests section in Cuba and the Cubans had one here. I hope the President of the United States and his Cabinet will consider these things as they make decisions on what to do on Cuba. There are changes to policy we can make, but I would argue they would be more in terms of further liberalizing travel. We have a bill that has been filed in the Senate with 55 cosponsors. It is a bipartisan bill to completely lift the travel ban and get rid of it completely. If such a measure is brought to the floor, I am confident there will be between 65 and 70 votes--maybe more--for such a bill. Instead, we seem to be going in the other direction or the administration is talking about going in the other direction. I hope they will reconsider. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Toomey). The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Amendment No. 232, as Modified Mr. BROWN. Mr. President, Russia remains a hostile, recalcitrant power that deploys its military, its cyber espionage activities, and its economic tactics to harm the United States of America--to drive a wedge between us and our allies. President Obama began to impose tough sanctions for Russia's cyber attacks, its cyber intrusion, its illegal annexation of Crimea, and its continuing aggression in Ukraine and Syria. Congress joined in that effort by enacting two measures to tighten and broaden those sanctions. Lifting and relaxing those sanctions now would only reward Russia's attempts to undermine our democracy. The administration continues to exercise a policy of ***strategic*** ambiguity when it comes to Russia, and the President, putting it mildly, has sent mixed signals. Just last month, Gary Cohn, the President's senior economic adviser, seemed to suggest that the United States could relax sanctions on Russia, and, as press reports confirmed 2 weeks ago, in its early days, the Trump administration considered removing all measures against Russia, according to former administration officials. Think of that. We all hear the discussion--maybe collusion, maybe not--about the Russians' friendship with the administration, whether the Trump family or the Trump businesses or the Trump White House has had some kind of relationships--almost everybody here thinks--with the oilmen, with the oligarchs, with the Kremlin, maybe even Putin himself. And to think that soon after taking office, before the public and the rest of us began to start learning more about Trump's ties with Russia, the administration considered the removal of any kind of measures punishing Russia. [[Page S3442]] This amendment, written by Senators Crapo, Corker, Cardin, me, and our offices and our staffs, sends an unambiguous message that the United States will not accept Russia's continued aggression, will adopt tough measures to both punish its past actions and deter future aggression against our country and our allies. Over the last week, the chairs and ranking members of key Senate committees conducted intense negotiations over a package of tough and meaningful reforms and expansions to our current Russia sanctions regime. We have had good, positive, productive, bipartisan conversations. Last night we reached agreement on this broad package of new measures that substantially expands sanctions on Russia in response to its malicious cyber attacks, efforts to undermine democracy, and continuing aggression in Syria and in eastern Ukraine. This package assures Congress and the people we represent that we have more of a say in this critical national security debate. The amendment would do a number of things. It would codify and strengthen six existing Obama administration Executive orders on Russia and Ukraine and on Russian cyber activities and the sanctions flowing from them. It would provide for strict congressional review of any effort by the President to relax and suspend and terminate or waive Russian sanctions patterned after the Iran Review Act. It would require mandatory imposition of sanctions on malicious cyber activity against the United States, on corrupt Russian actors around the world, on foreign sanctions evaders violating the Russia, Ukraine, and cyber-related sanctions controls, on those involved in serious human rights abuses in territories forcibly controlled by Russia, and on special Russian crude oil projects around the world. It would authorize broad new sanctions on key sectors of Russia's economy, including mining, metals, shipping, and railways, as well as new investments in energy pipelines. It would crack down on anyone investing in corrupt privatization efforts in Russia--something we have seen a lot of over 20 years. It would broaden the Treasury Department's authority to impose geographic targeting orders, allowing investigators to obtain ATM and wire transfer records so Treasury can better target illicit activity of Russian oligarchs in the United States. It would require Treasury to provide Congress with a study on the tangled web of senior government officials from Russia and their family members and any current U.S economic exposures to Russian oligarchs and their investments, and that includes real estate. It would require the administration to assess and report to Congress on extending secondary sanctions to additional Russian oligarchs and state-owned and related enterprises. Since 2014, Congress has worked together--Republicans and Democrats-- to craft increasingly tougher sanctions to hold Russia accountable for a long line of misdeeds. It is a long line indeed, from Russia's violations of international law and of the sovereignty and territorial integrity of Ukraine, to its role in the brutal repression in the war in Syria, to the cyber attacks that we are learning more and more about on Americans. The Ukrainian community in my State--vibrant, successful, progressive--and around the world knows firsthand the dangers of unchecked Russian aggression. We should strengthen--not weaken, not relax, not peel back--Russian sanctions. I urge my colleagues here and in the House to support this amendment, and I will urge the President to sign it into law. We must continue to vigorously enforce and strengthen sanctions against Russia to send a message to its leaders and the world that the United States of America will not tolerate efforts to undermine democracy around the world. Freedom of the Press Mr. President, our democracy is founded on checks and balances--and not just among the branches of government. Our Founders enshrined the freedom of the press in the Bill of Rights for a reason. We can't have a functioning democracy without freedom of the press. That is why last week the Newseum marked its annual Day Without News to remind Americans what our country would be--what we would be like, what we would look like, how we would act--without a free press. Journalists' entire job is to ask tough questions and to challenge powerful interests. While in church, we comfort the afflicted, journalists afflict the comfortable. Reporters put their safety and far too often their lives on the line, whether it is covering floods and hurricanes at home or traversing the globe to bring us the stories of our troops. We depend on reporters in Ohio and around the world to both bring us the stories that impact our day-to-day lives and to tell the stories that simply otherwise might not be told. Supporting a vibrant, independent, proactive press corps has rarely been more important in our country. Yet, too often we see reporters restricted, vilified, attacked, and even physically threatened, all for doing the jobs for which they were hired. Today brought news in this body that some people in this building-- some Members of the Senate--are trying to bar reporters from asking Senators questions. This is outrageous. If Senators can't handle tough questions from reporters about their ***plans*** to take healthcare away from millions of Americans, maybe they should change the bill, not restrict the reporters. We remember that Oval Office meeting with Russian officials. We have seen the pictures of the President of the United States with the Russian Foreign Minister, with the Russian Ambassador. We have seen those pictures, but what we need to remember about those pictures-- those photos that ran on front pages around this country and all over the world--those photos weren't taken by American journalists. The President of the United States threw them out of the Oval Office. Those pictures were taken by the Russian state media. The Russian state media was allowed to be in the room with the President of the United States in the Oval Office--hallowed ground in our democracy--while the American press was thrown out. The Russian state media, the old Soviet news agency, TASS, the remnants of the old Soviet propaganda machine, was allowed in, while the American press was barred. When you hide from the press, you hide from the American people. On November 16, a group representing more than a dozen journalist organizations sent a letter to the President-elect. They wrote: ``This isn't about access for the press itself, it's about access for Americans in diverse communities around the country.'' Having a strong, independent White House and congressional press corps isn't just important for those reporters' stories. Think about the signal it sends to mayors and city council members and State legislators. If the Members of Congress--the President, by throwing press out of the Oval Office and bringing in the old Soviet news agency TASS, or the Senate, by throwing reporters out of the Senate--if they don't have to be accountable, why should a mayor, why should a city council person, why should a Governor think they should be accountable? It is not just Washington reporters who are vital to democracy. It is reporters in Ohio telling us the stories, bringing us the faces of the opioid epidemic that devastates families and communities. It is Ohio's editorial pages highlighting how important the Great Lakes Restoration Initiative is to our drinking water and our State's economy. It has enabled Senator Portman and me and bipartisan Senators all over the Great Lakes, from New York, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota--Senators from both parties fighting back and stopping the cuts that would have destroyed so much of the progress in cleaning up the Great Lakes. It is journalists in every corner of my State highlighting the devastation that the proposed budget would have on our schools and our housing and rural communities. It is emphasizing again that 200,000 Ohioans right now are getting opioid treatment because they have insurance from the Affordable Care Act. It is reminding politicians in Ohio of both parties that those people need insurance. That is what a free press does. Parenthetically, I would add, my wife is a journalist. She is a Pulitzer Prize [[Page S3443]] winner. She is a columnist. She is soon to be a novelist. She clearly has outspoken views about this, as I do. She is a member of the press. I am a Member of this body. We both believe in a free press. We both believe in a free democracy. We answer to journalists in this body because they are the eyes and ears of the people we serve. If you can't understand--if none of us are strong enough and articulate enough and gutsy enough to stand before reporters who ask tough questions about your positions, then maybe you ought to rethink your positions. We need diligent, courageous reporters to dig up their stories. We need independent editors to put them on front pages. We need media organizations willing to hold the powerful accountable. The American people have a right to know what is going on in their own government, from the White House down to the city council office. The behavior today of the Rules Committee--the Rules Committee decision to ban reporters--television reporters specifically--from this body is just reprehensible. Thomas Jefferson said, ``Our liberty depends on the freedom of the press, and that cannot be limited without being lost.'' That is as true today as it was more than 200 years ago at the time of our country's founding. To all of the reporters out there, thank you. The PRESIDING OFFICER. The Senator from Tennessee. Amendment No. 232, as Modified Mr. CORKER. Mr. President, I am glad to be down here with our ranking member, Senator Ben Cardin from Maryland. I want to thank him and his staff for working until 10:20 last night to complete negotiations on a Russia amendment. I want to thank Senator Crapo and his staff and Senator Brown and his staff for the work they did on the sanctions component, where over the last 5 months they have worked with our counterparts around the world to make sure that what we did in this piece of legislation was something that was workable. Truly, I think it has been a great effort by four different offices. I am glad that cloture has been filed on that amendment, and I understand we are going to vote on it tomorrow at 2 o'clock. I will be very brief. Senator Cardin and I are here on the floor together, and I know he wants to make some comments about this. Let me just give a brief summary, if I could. The amendment enhances Congress's role in determining sanctions policy on Russia. It provides for the President to use a national security waiver or sanctions termination after giving Congress 30 days to review the proposed action. I think everyone here knows I am a strong proponent of congressional review. We began that under President Obama. To me, it gets us in a place where we are playing an appropriate role in foreign policy. The amendment codifies existing sanctions on Russia for their activities in Ukraine and cyber space. The amendment strengthens and expands existing conduct-based sanctions by requiring the imposition of sanctions on actors undermining cyber security, supplying arms to Syria, human rights abusers, and those involved in corrupt privatization of government- owned assets. It mandates sanctions on Russian deep-water, Arctic, and shale projects worldwide and yet allows for waivers to be made based on national security interests of the United States. This amendment prioritizes U.S foreign assistance to allies in their fight against Russian aggression. This is something I know Senator Cardin worked hard on, and I appreciate his efforts. It authorizes $250 million to establish the Countering Russian Influence Fund to implement ***programs*** in EU and NATO member countries-- Senator Portman played a role in this as well, and I appreciate his efforts--as well as candidate nations, to combat Russian interference, with a priority given to ***programs*** that develop cyber security, address public corruption, respond to humanitarian crises, counter disinformation, and support democratic institutions. It requires the State Department and other Federal agencies to collaborate and develop a ***plan*** to reduce Ukraine's dependence on Russian energy imports, which we know Russia has used to extort Ukraine. I think it is a very good piece of legislation. I appreciate the contributions of many Members here. I know Senator McCain, Senator Graham, Senator Rubio, and so many people here have been involved in wanting to ***produce*** legislation that pushes back in this way. We have tried to utilize the best of many bills that have been put forth. Again, I cannot thank the ranking member and his staff enough for the way they have worked with us to get us to this point. The PRESIDING OFFICER. The Senator from Maryland. Mr. CARDIN. Mr. President, I just want to follow up briefly with Chairman Corker. The two of us became friends in 2007, when we were both elected to the U.S Senate the same year and were part of the same class. But I think the two of us really became close friends a little over 2 years ago, when we were confronted with how Congress should deal with the nuclear agreement being negotiated by President Obama with Iran and our European friends, along with Russia and China. As the two of us worked around the clock to try to develop an appropriate review process so that Congress could play a constructive role--we recognize that we are the legislative branch, and we have oversight functions, but there is an appropriate role for us with regard to Executive actions--we came out with something that no one expected could be done; that is, nearly unanimous support in this body for a review statute in regard to the Iran negotiations. Chairman Corker has taken this same template and has now used that to apply to Russia in the removal of sanctions on Russia. It started with a bill that was put together by Senator Graham and me. It has been modified through the negotiations we have had, as Senator Corker has commented, with Senator Brown and Senator Crapo. But it does, in effect, provide that there will be notice to Congress before the administration can give any sanction relief to Russia, so there can be transparency and a discussion and a debate. Then there is a process by which Congress, if we feel strongly and can get the necessary support, can disapprove of sanction relief. I think that is the proper way for us to deal with one of the most important bilateral relationships in the world--between the United States and Russia--and it is appropriate that it is going to be an amendment to the Iran sanctions bill because the review process came out of the Iran agreement. The review process would be triggered if there is action taken by the President to give relief, but the legislation also includes additional sanctions, as the chairman pointed out, with Russia. It does this in a way that codifies the President's Executive orders so that there is now congressional support for Executive orders. It expands those sanctions in the area of cyber, as the chairman pointed out, and for energy projects, financial institutions facilitating transactions, Russian arms and related materiel to Syria, the corrupt privatization of government-owned assets. I particularly thank the chairman for the way he was able to recognize that, in Russia, what we don't want to see us contribute to is corruption, and we concentrate on the corruption issue, not the business issue. It is the area of corruption that becomes the important thing. We tighten up a lot of the different sanctions. Then we set up a process where there needs to be certified progress made; otherwise, these are mandatory sanctions the President must impose. As the chairman pointed out, negotiations included aspects of legislation that was first introduced by Senator McCain and me on sanctions, by Senator Graham and me on review of sanction relief, by Senators Crapo and Brown on proposed legislation dealing with sanctions, and Chairman Corker had significant drafting issues that he brought to the table in our negotiations. So it was a free discussion, and the end result is--I said this before but I want to underscore this--the Banking Committee brought some very helpful suggestions to make sure the financial sanctions worked. It is one thing that we want to make sure there are penalties, but we have to make sure they [[Page S3444]] work right, and I compliment the work of the Banking Committee in making sure that we use the right standards and that this will meet international muster. It is absolutely essential that this template be one in which our European allies can follow our leadership. If we didn't do that, we could have been isolated, which would not have had the same impact as I think these sanctions will have in working with our European allies. The chairman mentioned several of our colleagues on the committee. I need to mention Senator Shaheen and Senator Menendez, who played very, very important roles in our caucus. Senator Durbin and Senator Schumer also played roles in this, and I acknowledge their contributions. Included in this bill is the democracy initiative, which deals with providing more unified support with our allies in Europe in fighting Russia's propaganda and attacks on our democratic institutions. Senator Portman made major contributions to that, as the chairman has also acknowledged, and then, brought to us m

ainly through the Banking bill, we have a strategy to trace terrorism and financing in terrorism, which I think is very important to be included in the amendment. We will have a chance to vote on this amendment at 2 o'clock tomorrow. I encourage my colleagues to adopt this. Senator Corker and I expect to be back on the floor tomorrow as we manage the underlying bill, at which time I will want to comment on the importance of our passing the Iran sanctions bill, which is vitally important because of Iranian activities taking place today. For all of those reasons, I encourage my colleagues to please read the amendment that has been filed in a bipartisan effort to deal with this challenge that Russia has provided through their activities in attacking our democratic institutions, in their continued aggression in Ukraine, and their human rights violations in Syria. I might add that Senator Menendez's provisions on human rights sanctions are included in this amendment. It really does, I think, capture the essence of the broad consensus of the U.S Senate and is worthy of our support. I yield the floor. Mr. CORKER. Mr. President, I thank my friend for his comments. Again, I wish to reiterate that the Banking staff, Senator Crapo and his staff, and Senator Brown and his staff did an outstanding job of focusing on sanctions that would work in the appropriate way, as was just laid out, and really brought out the best of the two committees to come up with the legislation that we have. I hope we will have a very strong vote tomorrow. I think this very much supports U.S foreign policy. I look forward to that taking place tomorrow at 2 o'clock. I yield the floor. The PRESIDING OFFICER. The Senator from Minnesota. Ms. KLOBUCHAR. Mr. President, I thank my colleagues, Senator Corker and Senator Cardin, for their fine work on the Countering Iran's Destabilizing Activities Act, of course, and then this Russia amendment that so many of us have been pushing for so long. I especially thank Senator Cardin for his leadership on that, as well as Senator Brown and Senator Crapo--and the work that Senator McConnell and Senator Schumer did, as well as a lot of members of the Foreign Relations Committee, who care a lot about this. As I look at this, I look first at the Iranian part of the underlying bill. We have had many disagreements in the last few years on the Iranian nuclear agreement, but it is now critical. This is the time for those who opposed the agreement and those who supported it to come together to ensure that all of the parties to the agreement are upholding their obligations. When the United States and our allies agreed to the Iranian nuclear agreement, we made it clear that we will continue to hold Iran accountable for its nefarious activities outside of the four corners of the agreement. We must hold Iran accountable for missile tests, for financing terrorism, and human rights violations. That is our job, and that is why I was an early cosponsor of the legislation before the Senate today. The Countering Iran's Destabilizing Activities Act of 2017 imposes mandatory sanctions on those involved with Iran's ballistic missile ***program***, as well as those who fund terrorist organizations and commit human rights violations. Iran's ballistic missile ***program*** is a threat to regional and global security, and United Nations Security Council resolution 2231 makes it illegal for Iran to develop ballistic missiles that could carry a nuclear weapon. Any person or business involved in helping Iran obtain illegal weapons should be banned from doing business with the United States, have their assets immediately frozen, and their travel restricted. Minimizing the threat Iran poses also means holding it accountable for funding terrorist groups that threaten Israel and seek to destabilize the region. We should be doing everything in our power to better track terrorist financing so we can stop the flow of money that funds suicide bombers and illicit weapons. Our mission here is clear: We must protect our own citizens and our allies by enacting strong legislation to ensure that Iran does not cheat on its international commitment. Iran must know that if it violates the rules, it will be held accountable. Democrats and Republicans have come together to get this done, and it is my hope that we can pass the legislation this week, including the amendment imposing strong sanctions against Russia, which is essential to protecting our democracy from foreign interference. Seventeen United States intelligence agencies have confirmed that Russia tried to interfere in the 2016 election. That is not all. We know Russia is using covert cyber attacks, espionage, and harmful propaganda to try to undermine our democracy. They launched cyber attacks against local election systems, a U.S voting systems software company, and the emails of more than 100 local election officials. Russian-backed criminals hacked into Yahoo and stole data from 500 million accounts. They repeatedly harassed American diplomats in Moscow. The former Director of Intelligence, James Clapper, recently testified that Russia will continue to interfere in our political system. This is what he said: I believe [Russia is] now emboldened to continue such activities in the future both here and around the world and to do so even more intensely. If there has ever been a clarion call for vigilance and action against a threat to the very foundation of our democratic political system, this episode is it. Vigilance--that is what we need right now. That is why I joined a bipartisan group of my colleagues to introduce the Countering Russian Hostilities Act, legislation that would impose strong sanctions against Russia. These sanctions would address Russia's cyber attacks, its human rights violations, and its illegal annexation of land in Ukraine and Georgia. I am also the cosponsor of the Russia Sanctions Review Act, bipartisan legislation that would require congressional review if sanctions against Russia are rolled back. The Russia sanctions amendment offered today contains essential portions of both of these pieces of legislation. After those 17 intelligence agencies confirmed that Russia interfered in our elections, President Obama enacted important sanctions against officials in the Russian Government and hackers conducting malicious cyber activity on behalf of the Russian Government. The amendment before us today would codify those sanctions. The amendment also strengthens sanctions against Russia's energy sector, corrupt Russian officials, and those who supply weapons to the Assad regime. The day the Obama administration was imposing these additional sanctions on Russia, I was actually with Senators McCain and Graham in Eastern Europe. The goal of our trip was to reinforce support for NATO and our allies in the face of increased Russian aggression. On the trip, we went to the Baltics, Ukraine, and Georgia, countries on the frontlines of these fights. They know Russia's playbook well. In our meetings with Presidents and Prime Ministers of these countries, it was increasingly evident that if we don't stop Russia now, cyber attacks against governments, political parties, newspapers, and companies will only get worse. We heard about websites being shut down and internet access [[Page S3445]] limited when one government--the Government of Estonia--simply had the audacity to move a bronze statue from a public square to a cemetery. It was of a Russian fighter. The Russian Government didn't like it, so they cut down their internet access. Also, there were members of the Ukrainian Parliament who were invited to Lithuania. What happened to the Lithuanians in the Parliament? They were hacked into. Ukraine itself was targeted by Russian hackers more than 6,500 times over a 2-month period. Most recently, Russia tried to undermine elections in France. For years, our allies have been subjected to Russian aggression and invasion. But they are undeterred, unwilling to give up on that which they fought so hard for--independence, freedom, democracy. So this is not just about defending our own democracy, as we look at these Russia sanctions that are before us today, as we look at the investigation that is ongoing and looking into the interference into our election. It is about defending a democratic way of life and democracies across the world. It is not just about the simple word ``election'' or the simple word ``democracy.'' It is not just about one candidate or one political party. As Senator Rubio has noted, the next time it will be the other party. No, this is about our Constitution. It is about our own independence from foreign powers. It is about freedom and the rights guaranteed to us in our own Constitution. If that is undermined, if foreign governments are allowed to come in and handpick who their candidate is based on either propaganda or cyber attacks, then we lose our constitutional rights because we the people are no longer determining who our representatives are. Other countries are. The world continues to look to America for our steadfast leadership. The United States--a beacon for freedom and democracy--must continue to stand up against Russian aggression, not just in word but in deed. That is why it is so important that the Senate is coming together today to pass strong sanctions against the Russian Government. We want the Russian people to be able to have a democracy. We want them to be able to have a democracy that doesn't do things like bring down planes in Ukraine, that doesn't do things like try to influence other countries' elections. That is why these sanctions are so important. We know that the Russian Government today is actively working to undermine our democracy and hurt American businesses. This is part of the cyber war. We know that this unprecedented interference has been orchestrated by the Kremlin so that Americans actually lose faith in our own political system. Over time, Russia has grown more determined in its effort to weaken democracies in its expanded sphere of influence. Now, more than ever, Americans are looking to the Senate for leadership. We must stand strong and united so that Russia and other nations know that attacks against our democracy must not go unchecked. The amendment before us on the sanctions is an important step in doing just that. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Strange). The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. TOOMEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. U.S -Mexico Sugar Agreement Mr. TOOMEY. Mr. President, I rise this afternoon to express my considerable disappointment with the U.S -Mexico sugar agreement that was announced just last week. This deal was concluded recently. The fact is that this is a bad deal for the United States. I am completely mystified as to why our Commerce Department would agree to it. It is a bad deal for U.S consumers, and we are all consumers. It is a bad deal for American workers. It completely fails to address the high price of sugar that we have in America today. In fact, it makes the problem worse. It increases the price that we all have to pay for sugar. It reduces choices for consumers, and it absolutely threatens jobs in the many food-***producing*** industries that we have across our country. What it does is that it continues the protectionist policies that favor a handful of big sugar ***producers*** and refiners. These are large, agribusiness companies, generally, already subsidized by domestic ***agricultural*** policies that force American consumers to pay artificially inflated prices for their products. It also limits imports, and the fact is that the agreement should be doing just the opposite. It should be giving us a free market in sugar so that American consumers can shop for the best deal available in the world, and that is exactly what it does not do. Unfortunately, what they did at the Commerce Department is they failed to prioritize the concerns of ordinary American consumers, ordinary American workers. The fact is that the United States is a significant net importer of sugar. We are a huge country, and we don't ***produce*** as much sugar as we consume. So we import the difference. Mexico happens to be the No. 1 source of imported sugar. We get about 35 percent of our imported sugar from Mexico. The NAFTA trade agreement provided for free trade in sugar. It took a long time to get there, but it contemplated an arrangement where Mexico could sell to American consumers--like my wife, when she goes shopping at the store, and all of our families--without duties, without tariffs, without taxes, without obstacles. But that didn't work out so well for some of the sugar ***producers***. So they went to court, and they accused Mexico of dumping sugar. In order to avoid tariffs, the Mexican Government agreed to what they call the suspension agreement. It is an agreement that basically sets a minimum price. So that is what we do. That is our sugar policy. The government dictates it, essentially, in conjunction with foreign governments. It is the American Government that has all the leverage here. We set prices. We fix prices. We don't have a free market. We establish, by central government fiat, what the price will be. We also establish import quotas. We decide how much of foreign sugar an American will be permitted to buy, reminiscent of ``Moscow on the Mississippi.'' This is not how you have a free market that allows consumers to have the choices and the benefits from lower competition. I was concerned about where this negotiation was heading. So Senator Jeanne Shaheen, a Democratic Senator from New Hampshire, and I sent a letter to Commerce Secretary Ross to urge him to consider the impact on consumers--which is all of us, I will reiterate--in negotiating this deal. There was a similar letter from House Members. Unfortunately, it apparently did not persuade our Commerce Department. In fact, this new agreement--as I think I mentioned--leaves us with a policy that is worse than it was before. This new so-called suspension agreement increases the already-inflated price of sugar--2 percent higher for raw sugar and 8 percent higher for refined sugar if it is imported from Mexico. How does it help the 320 million Americans? How does it help ordinary Americans to be forced to pay more for the sugar that we all have to buy? It is a staple in our food. The answer is that it doesn't help. It hurts the single mom who is going to the grocery store to buy cereal for her kids when she has to pay approximately twice the price of the global price for sugar. Where does that money go? It goes straight out of her pocket and straight into the pockets of this handful of wealthy sugar ***producers*** in America. So it is absolutely bad policy for American consumers. Make no mistake about it. Higher prices for Mexican sugar mean higher prices for American consumers--all of us. The Coalition for Sugar Reform estimates that the new agreement--just the new agreement--will cost U.S consumers an additional billion dollars a year. That goes straight to the growers, the ***producers***. As I said, U.S sugar prices are already almost double the world prices, generally, because of the ridiculous ***agricultural*** policy we have with respect to sugar. The American Enterprise Institute reports that they believe that the current policy already costs U.S consumers $3 billion a year. So you have the $3 billion a year from this flawed policy we used to have. Now we just added another billion dollars a [[Page S3446]] year in costs to our consumers by virtue of this suspension agreement. What the Commerce Department should be doing in these contexts is described as to reduce and eliminate this mandatory price fixing, eliminate these barriers to trade, and put U.S consumers as the first priority. I will point out that it is not only Americans as consumers who are harmed by this, but it is also Americans as workers. There are industries that use sugar as a component in their food products. My State of Pennsylvania, in particular, has a lot of these companies--200 confectioners. We have the most in any State. Our sugar-using industries employ nearly 40,000 workers across our Commonwealth. We have 600,000 workers across the country in the various food and beverage industries that make products that we all consume that use sugar. Guess what. Higher sugar prices jeopardize those well-paying food manufacturing jobs. About 120,000 such jobs have been lost over the last 2 decades because what happens is that American food ***producers*** just can't compete. American food ***producers*** are forced to buy artificially expensive sugar. Their foreign competitors don't have to do that. Their foreign competitors can buy sugar on the world market at about half the price. So guess what? An American candy maker or cereal maker or other food maker is at a huge competitive disadvantage. We have been losing them, in part, because we force them to pay these artificially high prices. Our own Commerce Department--the very same Commerce Department that negotiated this deal--did a study. This is their work, not mine. They estimate that when you artificially prop up the price of sugar, you might save some jobs in the sugar-growing industry, but for every job you save there, you lose three jobs in the food processing and manufacturing industry--in the sugar consumption industry. What a terrible trade. What a terrible arrangement. I am very disappointed to learn about this. The Commerce Department clearly failed to negotiate an agreement that would put consumers first and consumers' pocketbooks first. Instead, we have increased prices above the already artificially high levels. We have restrictions on sugar trade, and, apparently, we have decided to pursue protectionist policies that advance the interests of a small handful of wealthy growers at the expense of several hundred million American consumers. This strikes me as crony capitalism, and it is a huge mistake. I hope that this is not a sign of what is to come in trade negotiations. We are told that the administration is going to be reevaluating and renegotiating various agreements, including NAFTA and others. As they are being reconsidered, I hope we will not go down this protectionist road of favoring a handful of the privileged few at the expense of the many, as we apparently did in this agreement. I yield the floor. The PRESIDING OFFICER. The Senator from Rhode Island. Mr. WHITEHOUSE. Mr. President, I ask unanimous consent to speak as in morning business for up to 10 minutes. The PRESIDING OFFICER. Without objection, it is so ordered. Climate Change Mr. WHITEHOUSE. Mr. President, however loud, persistent, and powerful the climate denial operation has been, we have to remember that it has always been built on lies. It is a huge fortress of lies stacked upon lies--lies about the science, lies about the scientists, lies about doubt, lies about costs, lies through phony front groups, and lies about where the money comes from and who is pulling the strings. This fortress of lies protects a subsidy to the fossil fuel industry that the International Monetary Fund puts at $700 billion per year. For big, big money, you can do big, big lies, and they do. These have been the biggest lies of our generation. But to paraphrase the great reggae singer Jimmy Cliff: ``The bigger you lie, the harder you fall.'' To paraphrase the ``Game of Thrones,'' ``The fall is coming.'' In the last few weeks, there has been news that has shaken this fortress of lies and moves us toward that fall. Shareholders are rising up. For as long as there have been shareholder resolutions to fossil fuel companies about climate change, there has been resolute opposition from management to every vote. Hundreds of shareholder resolutions went down to defeat until now. Occidental Petroleum shareholders last month won the first victory against management, and a week later mighty ExxonMobil was defeated by its shareholders. This new reporting that shareholders have demanded will help clear away the lies. The fall is coming. There are even lies within the lies. To fend off this latest shareholder resolution to try to make the company look less irresponsible, ExxonMobil's CEO repeated the company's claim that it knows climate change is real and supports a carbon fee--but it doesn't. As everyone in this building knows, ExxonMobil maintains a massive lobbying apparatus in Washington, and that massive apparatus is and always has been resolutely opposed to any such thing as a carbon fee or any serious climate action whatsoever, for that matter, unless maybe ExxonMobil doesn't know what its own vast lobbying apparatus is doing. Maybe ExxonMobil spends that enormous amount of money to exert its influence in Washington to stop any climate action, and the CEO is unaware of that going on. I doubt that. You be the judge of whether that is credible. It is not just shareholders rising up; attorneys general are starting to win. The attorney general of New York has just filed pleadings in State court in New York asserting that ExxonMobil's climate reporting has been a ``sham''--to use the word from his filing; that, in the oldest of accounting tricks, ExxonMobil kept two sets of books assessing carbon pollution risk. After fierce opposition by ExxonMobil lawyers using every trick in the book to delay and snarl the New York attorney general, it looks now as if ExxonMobil may have lied to its investors and its shareholders. If ExxonMobil has lied to its shareholders, that is a violation of law, and that fall comes hard indeed. Secretary of State Tillerson evidently knew of and approved the two sets of carbon pollution books when he was CEO of ExxonMobil. We will see where this goes, but of all the people around Trump who might be indicted, now we might add the Secretary of State. The Attorney General of Massachusetts is also pursuing ExxonMobil against equally fierce tactics by ExxonMobil lawyers. To try to get away from the Massachusetts attorney general, the lawyers even went so far as to claim--get this--that ExxonMobil was not doing business in Massachusetts; that it didn't have the minimum contacts with the Commonwealth of Massachusetts necessary for the State even to assert jurisdiction. Well, the judge virtually laughed that argument out of court, but it shows how desperate ExxonMobil must be feeling as it tries to wriggle away from having to answer questions under oath. Nothing turns a big lie into a hard fall better than having to put that right hand up and give truthful testimony and face cross- examination under penalty of perjury. Will the Securities and Exchange Commission take a look at this sham reporting, too, or has the Federal government, under Trump, degenerated into such a fossil fuel banana republic that no Federal agency will do its job against that industry or might it even chime in on the side of industry Pruitt-style? Do you remember the question of whether the fossil fuel climate denial operation merits investigation under Federal civil racketeering laws? The tobacco industry was sued under Federal civil racketeering laws by the U.S Department of Justice so there is a model. You may remember that the question as to the fossil fuel climate denial operation was referred by Attorney General Lynch to the FBI--or so she testified. One wonders, did the FBI ever take an honest look? What was the outcome? Was there ever a report? Are they still looking at it? Remember that the Department of Justice won its civil racketeering case against the tobacco industry, they won it at trial, and they won again on appeal. The woman who won that case for the Department of Justice, the lead trial attorney for the Department, has said publicly that this climate denial operation also merits investigation as fraud. That would seem to be a knowledgeable opinion from the woman who [[Page S3447]] won the last case, an opinion perhaps worth heeding, but did anything happen? Will anything happen? Forget too big to fail or too big to jail. Is the power of the fossil fuel industry now so great that it is too big even to investigate, even by the Department of Justice? Does it now take State attorneys general to do the job because the Federal government is so owned now by the fossil fuel industry? Think about it. What if the FBI reported to the Attorney General that there was a meritorious fraud case arising out of all the lies propping up climate denial? Who believes Attorney General Sessions would allow that case to go forward against his party's biggest backer? Well, the bigger the lie, ultimately, the harder the fall. One way or the other, this fact remains constant and true. There always will come a day of reckoning. With these shareholder victories and with these attorneys general victories, that day of reckoning is closing in--the day when they have to put that right hand up and testify truthfully and under oath, not just send out spin through front groups and operatives but testify truthfully under penalty of perjury. It is long overdue for truth to have its day. I yield the floor. The PRESIDING OFFICER. The Senator from Idaho. Amendment No. 232, as Modified Mr. CRAPO. Mr. President, I rise to speak on the Crapo-Brown-Corker- Cardin Countering Russian Aggression and Cyber Attacks Act of 2017. This bill, filed as an amendment, was filed as amendment No. 232 to the Iran sanctions bill late last night. Yesterday, the Senate Banking and Foreign Relations Committees concluded their work on a groundbreaking piece of legislation regarding Russia sanctions. I say groundbreaking because the legislation not only ratchets up pressure against the Russian Federation for its illegal invasion and annexation of Crimea, continuing escalation of violence in eastern Ukraine, and its cyber activities against businesses and citizens of the United States, but it also, importantly, provides Congress with a strong oversight process over almost any termination or suspension of these sanctions. Senators Corker, Brown, Cardin, and their staffs spent many hours to ensure that we put together a thoughtful and measured product, and I thank them for their work. Senator Brown and I have worked together for months to try to craft a responsible Russia sanctions package, and Senator Corker has been a tireless champion of this measure as has Senator Cardin. I also would be remiss if I did not recognize the work of Senators McCain, Brown, Shaheen, and the many others who have worked to develop much of what has ended up in this legislation. All of us appreciate the leadership of Majority Leader McConnell and Senator Schumer, who worked with us as we came to our final agreement. The need for this legislation was underlined by the fact that many Americans have deep concerns about Russia's behavior over the past few years. Since coming to power, Russian President Putin has become increasingly belligerent, nationalistic, and autocratic. Currently, the United States has imposed sanctions on Russia for Russia's invasion and annexation of Crimea and its role in supporting the separatist movements in eastern Ukraine, Russia's increasing cyber attacks and cyber espionage against the United States, Russia's support for the Assad regime in Syria, and Russia's complicity for corruption. Although this is not an exhaustive list, it demonstrates the lengths to which Russia will go to seize power and influence in the international arena. Unfortunately, Putin's desire to increase Russia's political influence is not driven by a desire to raise the standard of living for Russians. Instead, it is driven by a craving to enrich and empower himself and his cronies. Over the course of the past 3 months, the Senate Banking Committee has held hearings assessing the impacts of the current sanctions regime against Russia. We examined the existing Russian sanctions architecture in terms of its effectiveness and its economic impact. The Russians have largely learned to live within the economic confines of the existing sanctions regime. In Putin's calculation, the cost of the sanctions do not outweigh the benefits of occupying Crimea and contributing to unrest in Ukraine, to continuing to support the Assad regime's assault on civilians in Syria, and conducting cyber attacks on people, companies, and institutions around the globe. Many of us on both sides of the aisle feel the United States needs to be much stronger in its response. Americans want to see the United States stand firm in the defense of our long-held values, which include respect for territorial integrity, human rights, and liberty. At this point, the only way to change Putin's cost-benefit analysis is to increase the pressure which we apply directly through sanctions. The Crapo-Brown-Corker-Cardin amendment is an effective way to increase the pressure on Russia for its irresponsible conduct. Our legislation signals to the world the unflagging commitment of the United States to the sanctity of territorial integrity, human rights, and good governance. Our amendment also demonstrates our resolve in responding to cyber attacks against U.S citizens and entities and against our allies. In summary, the Crapo-Brown-Corker-Cardin amendment does four things: It escalates and expands the current sanctions regime against Russia; it creates new sanctions against Russia; it engages Congress at a higher level than before by providing a mechanism for Congress to vote before lifting any sanctions on Russia; and it increases the Treasury Department's ability to track illicit finance, including illicit flows linked to Russia. We escalate and expand the current sanctions regime against Russia by codifying and modifying six current Executive orders. Four of these orders relate to Russia's invasion of Ukraine, and two relate to Russia's malicious cyber activity. We expand the sanctions under the Ukraine-related Executive orders to reach Russian deep-water, Arctic, and shale projects worldwide. We also permit the President to apply these sanctions to Russian railway, shipping, and metals and mining sectors. The amendment also creates several new sanctions against Russia. There are new sanctions for those who are engaged in significant activities undermining cyber security. These sanctions also apply to those providing material support for such malicious cyber actors. We also impose mandatory sanctions on entities engaged in special Russian energy projects and on foreign financial institutions facilitating transactions in response to Russia's continued aggression in Ukraine. The amendment includes tough sanctions on Russian Government officials, their relatives, and close associates responsible for significant corruption in Russia or elsewhere. It sanctions people who help others evade sanctions and people responsible for human rights violations in any territory controlled by Russia. Additionally, it sanctions those who work for or on behalf of the Russian defense and intelligence sectors, those who invest or support the construction of Russian energy export pipelines, and corrupt government officials who enrich themselves after making deals to privatize state-owned assets. Finally, it sanctions those who help the Assad regime acquire chemical, biological, or nuclear weapons technology, ballistic or cruise missile capabilities, or destabilizing numbers and types of advanced conventional weapons. The Crapo-Brown-Corker-Cardin amendment will result in some very powerful new sanctions on Russia. Part of our agreement includes congressional review language to ensure Congress exerts proper oversight on the use of these powerful sanctions. We require the President to notify Congress when imposing certain types of sanctions, and we will have the opportunity to review any attempts to lift sanctions with regard to Russia. We intend to use this review model on all sanctions regimes moving forward, and I intend to work to apply it to sanctions on Iran. Amendment No. 232 is more than just the sanctions and congressional review; [[Page S3448]] this legislation also includes important counterterrorism financing provisions adopted by the House and Senate during the 114th Congress. It requires the creation of a national strategy for combatting the financing of terrorism and related forms of illicit finance. This strategy ensures that the United States pursues a coordinated and effective fight against illicit finance at all levels of the Russian Government. Our measure requires the strategy to enhance public-private partnerships to prevent and detect illicit finance. The measure also requires the Treasury Department to report on its efforts to identify illicit finance flows linked to Russia affecting the U.S financial system or the financial system of our allies. We must engage all of our allies, particularly our trading partners, to work with us so that we achieve our objectives without collateral damage, which is so often the case. It is important that our trading partners be with us on this issue rather than being the victims of the actions we take. This is a strong bipartisan measure that in important respects represents the next step forward. Of course, this will not be the last step if Russia does not begin to demonstrate verifiable steps toward reducing its course of aggression on multiple fronts. Make no mistake-- the sanctions currently in place and those submitted in our amendment last night are Putin's fault and not a result of Putin's confused notions of Russian power and pride. Even though unilateral actions are not the best option, America must lead on this issue and encourage others to follow since the most successful sanctions result from a united front of United States and European Union cooperation. Since the unlawful annexation of Crimea, the years of destabilizing eastern Ukraine through relentless war, the global spread of cyber intrusions, and Putin's indefensible support of Assad's leadership of Syria, particularly in light of its recent chemical attack, fewer are left in Europe to defend Putin's policies. The times call for clarity of purpose and a correct amount of pressure. We have that in this amendment. Again, thank you to Senators Corker, Brown, and Cardin for your hard work and support and to each of the other Senators from both sides of the aisle who have worked to help develop and pursue the policies adopted in this legislation. Thank you to Leader McConnell and Senator Schumer for all of your help and support. I look forward to passing this measure in short order, and I encourage all of my colleagues to support this bipartisan amendment. With that, Mr. President, I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Johnson). The clerk will call the roll. The assistant bill clerk proceeded to call the roll. Mr. COTTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. COTTON. Mr. President, today, I speak in favor of the Iran sanctions bill. I am an original cosponsor of the bill, so it should come as no surprise that I support it. My only concern is that we did not pass it sooner. As I stand here today, I cannot help but feel that this moment highlights the folly of the last 8 years of President Obama's foreign policy. For 8 years, President Obama did everything he could to curry favor with the Ayatollahs in Tehran. He ignored popular protests, known as the Green Movement, and the thousands of Iranians who cried out for something more than sham elections. He lectured our Gulf Arab allies on the need to ``share'' the Middle East with their sworn enemy in some kind of cold peace. He insisted on putting daylight between us and our friend Israel. He dallied and dithered as the regime helped its client Bashar al-Assad help tear apart his own country in a brutal civil war. Most infamously, he traded away billions of dollars in sanctions relief for a flimsy, one-sided nuclear deal--a deal that did not prevent Iran from getting a nuclear weapon so much as ultimately guarantee it in just a few years. What do we have to show for all of this? What did we get for looking the other way for 8 years? Not a more reasonable Iran, not a more open, tolerant, democratic Iran, not a friendlier Iran, but an emboldened Iran--one that continues to launch ballistic missiles in willful defiance of United Nations Security Council resolutions. For everything we have done to mollify the ayatollahs and their sensitivities, they have gone out of their way to inflame ours. What did President Obama do? Nothing but appease them. But we should not lay these failures solely on the last President's doorstep, because he represents a mindset that is too widely shared. It is one that sees Iran's obvious imperial aggression in the Middle East and yet still considers America the aggressor. It is one that tries to compartmentalize and haggle with a regime whose leaders shout ``death to Israel'' and ``death to America'' virtually every Friday. It is one that refuses to call a spade a spade and say to the Ayatollahs that enough is enough. But today we are changing course--and not a moment too soon. This legislation will finally hold the regime and Tehran accountable for their brazen attempts to bully their neighbors and assert supremacy throughout the Middle East. It will put heavy sanctions on anyone who is involved in helping Iran develop ballistic missiles, circumvent our arms embargo, or spread terrorism throughout the world. I know there are those who consider this kind of a move to be provocative, but I would say that it is the Iranian regime's aggression that has been provocative. All of these sanctioned activities are things that the regime and Tehran should not be doing in the first place. I do not think it is provocative to hold our enemies to the same standards as our friends. I do not think it is unreasonable to do what we can to protect our friends and ourselves from Iranian-supported terrorism and from a regime that is responsible for killing hundreds of American troops in the Middle East. Instead, I think it is long overdue. Today, I am glad to see the Senate finally prepared to rectify these grave mistakes. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The assistant bill clerk proceeded to call the roll. Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Reauthorizing the National Flood Insurance ***Program*** Mr. KENNEDY. Mr. President, I rise to discuss the bipartisan legislation that will reauthorize the National Flood Insurance ***Program***. I wish to speak a little bit about flood insurance first before I talk about our much needed legislation. As most people know--but unfortunately some folks don't know or maybe they forget--if you have homeowners insurance on your home and you have a flood, you are not covered. Homeowners insurance does not cover flooding. In order to be covered for flooding, you have to have a separate policy, and about the only place you can go to get flood insurance is from the Federal ***program***--the National Flood Insurance ***Program***. Now, that is a bit of an overstatement. It is possible to buy flood insurance from a private insurer--and certainly we want to encourage private insurers to participate more in the flood insurance market--but today, for the most part, if you want to carry flood insurance, you have to get it through the Federal ***program***, and that is called the National Flood Insurance ***Program***. It is administered by FEMA. It is hard to overstate the importance of flood insurance to the American people. It is even harder to overstate the importance of flood insurance to the people of Louisiana. The gross domestic product in my State is about $220 billion to $230 billion a year. If you add up all the goods and services that we as Louisianans ***produce*** every year, it comes out to between $220 billion and $230 billion. Without flood insurance, you can cut that figure in half. We would have to, in effect, turn out the lights. There are 450,000 flood insurance policies in my State. Many of those people have to have flood insurance; it is a condition of their mortgage. So the [[Page S3449]] Flood insurance ***program*** and, more specifically, the National Flood Insurance ***Program***, is extraordinarily important to America, but it is even more extraordinarily important to the people of Louisiana. We are introducing a bipartisan bill to reauthorize the National Flood Insurance ***Program***. The current ***program*** expires in September. If we don't reauthorize it, most Americans who have flood insurance at the present time will no longer be able to access it. It is critical that the U.S Congress act and act immediately. The bill we are introducing--and I will explain in a moment whom I mean by ``we''--is bipartisan legislation. Now, there are a lot of issues that divide Congress today, and reasonable people are entitled to disagree over some of these very difficult issues, but there are also issues we can come together on, and I respectfully suggest that flood insurance is one of them. We have put together a bipartisan coalition, including Senator Bob Menendez from New Jersey, who happens to be a Democrat; and Senator Cory Booker from New Jersey, who happens to be a Democrat; Senator Thad Cochran, chairman of our Appropriations Committee in the Senate, from Mississippi, who is a Republican; Senator Marco Rubio from Florida, who is a Republican; Senator Bill Nelson from Florida, who is a Democrat; Senator Van Hollen from Maryland, who happens to be a Democrat; and more Senators are coming on board. We are introducing a bill called the SAFE National Flood Insurance ***Program*** Reauthorization Act. SAFE, of course, is an acronym. It refers to sustainable, affordable, fair, and efficient--SAFE--the SAFE National Flood Insurance ***Program*** Reauthorization Act. Let me briefly tell my colleagues what it does. I will start with cost. It doesn't do a bit of good to offer someone insurance if they can't afford it, and too many times that has been the case with flood insurance. Right now, under the current ***program***, the National Flood Insurance ***Program*** is allowed to raise a homeowner's flood insurance premium by 18 percent--not 10 percent, not 12 percent but by a staggering 18 percent--and to do that every year. If you are insuring a second home--let's suppose you have a vacation home--or if you are a businesswoman or a businessman and insuring a commercial establishment, the national ***program*** can raise your premiums every year by 25 percent. Nobody can pay those kinds of increases. No. 1, our bill would cap the amount the Flood Insurance ***Program*** can raise someone's premium at 10 percent annually. I wish we could tap it at zero percent annually, but 10 percent is certainly a lot better for our people than 18 percent and 25 percent, respectively. If FEMA properly implements some other provisions of our act, which I will talk about in a moment, there will not be any increases. No. 2, our bill, the SAFE National Flood Insurance ***Program*** Reauthorization Act, would extend the National Flood Insurance ***Program*** by 6 years. I wish we could extend it longer. I wish we could do 10 years or 15 years or 20 years, but it is necessary for us, as the Presiding Officer knows, to get unified, bipartisan support on this legislation, and we think 6 years--a 6-year authorization is probably the best we can do to pass this bill. No. 3, our bill will save about $750 million a year. Let me say that again. Our bill will save about $750 million each and every year to be used in the Flood Insurance ***Program***. Here is how our legislation would do it. First, as we know, the Flood Insurance ***Program*** has a deficit. We have had a large number of natural disasters, including floods, over the past several years in our country, unfortunately. We had Hurricane Sandy. We had Hurricane Katrina. In my State in Louisiana, last year we had two horrible floods, both in the northern part of my State and in the southern part of my State. In a couple of instances, we had 23 inches of rain in 2 days. I don't care if you live on Mount Everest, if you get 23 inches of rain in 2 days, you are going to flood. Those floods were very expensive. Those catastrophes and many others caused the National Flood Insurance ***Program*** to operate at a deficit. The deficit is $25 billion. Another way of stating that is, the ***program*** owes $25 billion in debt, but we owe it to ourselves. We don't owe it to a bank, we don't owe it to a foreign country, we don't owe it to any private entity; we owe it to ourselves, and we have been paying interest to ourselves out of the premiums--the cashflow, if you will--of the Flood Insurance ***Program*** every year. That 10 percent--10 cents out of every dollar that comes into the National Flood Insurance ***Program***--is devoted to just paying the interest on this debt that we owe ourselves. Our bill would suspend those interest payments for 6 years. That will free up about $400 million a year. We are also saving money by asking those who work with us in implementing the National Flood Insurance ***Program*** to sharpen their pencils. Let me explain what I mean by that. FEMA is in charge of the National Flood Insurance ***Program***, but FEMA doesn't run the ***program***. It doesn't run the insurance company that administers the policies. FEMA hires private insurers in the private sector to actually run the ***program***. We call that the ``write your own'' ***program***. For the most part, those private insurers that administer the ***program*** do a good job, but they don't have any risk. They have zero risk, none, nada. The risk is on the National Flood Insurance ***Program***--the Federal government--and therefore the American taxpayer. We just hire the private insurers to administer the ***program***--to collect the premiums, to sell the policies, to adjust the claims. So they have no risk. Yet we are paying them 31 cents out of every dollar that the ***program*** would take in. Our bill respectfully suggests that is too much money. While we appreciate the cooperation we get and the good work we get from the private insurers who help us administer this ***program***, we are going to ask them--actually, we are going to tell them--to reduce their compensation from 31 cents out of every dollar. That is going to save about $350 million a year. So we just saved about $750 million a year for the National Flood Insurance ***Program***. What are we going to do with the money? First, mitigation. With flooding--and it is inevitable that we are going to have floods. I don't know why bad things happen to good people, but they do. You can pay a little bit up front or you can pay a whole lot later, and this is what I mean by that. If we spend the money on mitigation to protect against the flooding that we know will inevitably happen, we will save money for the American taxpayer in the long run, and we will use a portion of that $750 million in savings to mitigate against flood risk. By mitigation, I mean offering low- or no-interest loans to homeowners to elevate their homes so they will not flood--building levees, building flood walls. Our bill does not say specifically what mitigation measures should be taken, and it does not say which mitigation projects will be built, but it does say that mitigation is the answer, not the complete answer but part of the answer. We haven't done enough of it. Now we are going to have the resources to do it. The second way we are going to use that money is to try to do a better job with maps. We set rates in the National Flood Insurance ***Program*** based on the likelihood that someone will be flooded. We determine that likelihood by using maps drawn by experts using computer models. We are not using the most up-to-date, state-of-the-art technology to draw those maps, but if our bill passes, we will, including but not limited to a new technology called LIDAR. I confess, I don't understand the technology, but it is called LIDAR, Light Detection and Ranging technology. It can be used to draw more accurate flood maps to more accurately assess someone's propensity to flood. Why is that important? You might be in a high-risk flood zone right now and paying a large premium. With state-of-the-art technology, you may be put into a lower risk flood zone and pay less. I am not guaranteeing that result, but it is certainly possible. In any event, we need to as accurately as possible assess the risk, and the only way to do that is through proper mapping. Our bill would also include a provision that will allow Congress to provide better and greater oversight of FEMA in administering the ***program***. Let me say specifically what it will do. [[Page S3450]] The very able Administrator at FEMA who handles the Flood Insurance ***Program*** testified before the Banking Committee a few months ago that if one of these private insurance companies that administers the Flood Insurance ***Program*** for us has lawyers or consultants who are not doing their jobs, FEMA doesn't have the authority to fire them. This bill will give FEMA the authority to fire those consultants, and here is why this is important: Most of the lawyers, engineers, and other consultants private insurance companies hire to help them administer the ***program*** on behalf of the National Flood Insurance ***Program*** do a pretty good job, but some of them do not. There have been recorded instances both in New Jersey and in Louisiana where certain people, engineers and lawyers, have seen it as their mission to do anything they possibly can to keep a homeowner who has paid his or her hard- earned money to buy insurance from getting the money they deserve if they flood, and that is just wrong. If you are trying to defraud the National Flood Insurance ***Program***, we need to fight you like a tiger. But if you have paid your premiums and, unfortunately, you have flooded, you are entitled to get your money. You should not be required to fight some engineer or some lawyer who is throwing up obstacle after obstacle after obstacle. Our bill says that if there are consultants who do that and the private insurance companies don't want to fire them, then, by God, FEMA will, and we are going to hold FEMA accountable. A couple more points I will mention: This bill will also extend coverage limits. Right now, the most flood insurance a homeowner can buy is $250,000. While that is a lot of money, that doesn't cover some homes, given the rate of inflation in America today, and our bill would expand coverage limits to $500,000 for homes and $1.5 million for commercial establishments. I have talked to some of my colleagues in the Senate and in the House, and some of them, whom I am happy for, represent States that haven't had any major floods, and I hope they never do. But if we have learned anything in the last few years in terms of flooding, we have learned that just when men and women think they can control everything in this world and can control their destiny, they can't control God and Mother Nature. Flooding can happen at any time. Let me say it again. You can live in a mountain State. You can live on top of a mountain. But if you get 23 inches of rain in 2 days, you are going to flood, and that is why you need flood insurance. That is why this bill is not just important to coastal States like Louisiana, Mississippi, Florida, New Jersey, and Maryland; it is important to all Americans. This is a bipartisan bill. Have I mentioned that? I think I did. This is a bipartisan bill. It is supported by many Democrats. It is supported by many Republicans. It is a bill that is not only important for our economy, but it is important for the peace of mind of the American people. I hope we will not let politics get in the way of doing what we know to be right. Once again, the bill is called the SAFE--which stands for Sustainable, Affordable, Fair, and Efficient--National Flood Insurance ***Program*** Reauthorization Act. I hope this body will come together as one and support this much needed legislation. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Cruz). The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. BOOZMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Rubio). Without objection, it is so ordered. Mr. BOOZMAN. Mr. President, I ask unanimous consent that I be permitted to speak as in morning business for up to 10 minutes. The PRESIDING OFFICER. Without objection, it is so ordered. Honoring Lieutenant Patrick Weatherford Mr. BOOZMAN. Mr. President, I rise today to pay respect to a law enforcement officer in my home State of Arkansas who lost his life in the line of duty yesterday, Monday, June 12, 2017. Lieutenant Patrick Weatherford of the Newport Police Department joined other officers in responding to the call of a vehicle break-in when he was shot. Sadly, Lieutenant Weatherford passed away later that evening. Lieutenant Weatherford served on the Newport police force for 15 years and recently graduated from the FBI Academy. He was also a graduate of ASU-Newport and the University of Arkansas at Little Rock. Lieutenant Weatherford was recognized as the 2016 Jackson County Officer of the Year by Arkansas attorney general Leslie Rutledge. His colleagues had great respect and admiration for him, and he was known as an officer who performed his duties with professionalism and skill. This is the second Arkansas law enforcement officer we have lost in 2017. Any occasion when someone who is sworn to protect and serve their community does not return home to the loved ones waiting for them is incredibly sad and heartbreaking. Arkansans value the men and women who volunteer to help ensure and enhance public safety knowing the risks involved. We are devastated by the loss of another law enforcement officer in our State, and we thank all of those who sacrifice so much to protect us. I want to encourage my colleagues to pass the Honoring Hometown Heroes Act to allow Governors to order the American flag to fly at half-staff in recognition of the sacrifice of first responders like Lieutenant Weatherford who make the ultimate sacrifice. My thoughts and prayers go out to Lieutenant Weatherford's family and friends, as well as the community he served, which will no doubt miss him dearly. I pray they will all find comfort during such a difficult time as this. I also stand with all Arkansans in expressing our gratitude for Lieutenant Weatherford's service and commit to honoring the sacrifice he and others have made to protect us. With that, I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Cloture Motion Mr. McCONNELL. Mr. President, I send a cloture motion to the desk for the committee substitute amendment. The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion. The bill clerk read as follows: Cloture Motion We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the committee- reported substitute amendment to Calendar No. 110, S. 722, a bill to impose sanctions with respect to Iran in relation to Iran's ballistic missile ***program***, support for acts of international terrorism, and violations of human rights, and for other purposes. Mitch McConnell, Roger F. Wicker, Mike Crapo, Mike Rounds, Tom Cotton, Bob Corker, Steve Daines, John Barrasso, Rob Portman, Jeff Flake, Dan Sullivan, John Hoeven, James M. Inhofe, John Cornyn, John Thune, Cory Gardner, Ron Johnson. Cloture Motion Mr. McCONNELL. Mr. President, I send a cloture motion to the desk for the underlying bill, S. 722. The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion. The bill clerk read as follows: Cloture Motion We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 110, S. 722, a bill to impose sanctions with respect to Iran in relation to Iran's ballistic missile ***program***, support for acts of international terrorism, and violations of human rights, and for other purposes. Mitch McConnell, Mike Crapo, Jeff Flake, Roger F. Wicker, Mike Rounds, Tom Cotton, Bob Corker, Steve Daines, Dan Sullivan, John Hoeven, James M. Inhofe, John Cornyn, John Thune, Cory Gardner, John Barrasso, Ron Johnson, Rob Portman. Mr. McCONNELL. Mr. President, I ask unanimous consent that the mandatory quorum calls with respect to the cloture motions be waived. The PRESIDING OFFICER. Without objection, it is so ordered.

**Load-Date:** August 1, 2017

**End of Document**



[***Council of the European Union: JOINT STAFF WORKING DOCUMENT Report on EU-JORDAN relations in the framework of the revised ENP ST 10319 2017 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P6G-K791-JDG9-Y4BG-00000-00&context=1516831)

Impact News Service

August 3, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 7238 words

**Body**

Brussels: Council of the European Union has issued the following document:

10319/17 DM/ss DG C 2B LIMITE EN Council of the European Union Brussels, 13 June 2017 (OR. en) 10319/17 LIMITE MAMA 103 MED 48 CFSP/PESC 533 RHJ 2 COVER NOTE From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 13 June 2017 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: SWD(2017) 234 final Subject: JOINT STAFF WORKING DOCUMENT Report on EU-JORDAN relations in the framework of the revised ENP Delegations will find attached document SWD(2017) 234 final. Encl.: SWD(2017) 234 final PUBLIC Conseil UE EN EN EUROPEAN COMMISSION HIGH REPRESENTATIVE OF THE UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY Brussels, 13.6.2017 SWD(2017) 234 final JOINT STAFF WORKING DOCUMENT Report on EU-JORDAN relations in the framework of the revised ENP 2 COUNTRY REPORT (March 2015 – April 2017) EU-JORDAN Partnership Introduction Jordan is a key partner for the EU at UN, regional and bilateral level in particular for its role in promoting stability, moderation and inter-faith tolerance in the Middle East. The EU and Jordan have a strong partnership across many sectors and have been linked by an Association Agreement since 2002 (advanced status since 2010). Jordan is facing economic, social and security challenges.

In particular, Jordan is hosting more than 658,000 registered Syrian refugees (around 10% of the Jordanian population before the Syria crisis), as well as other refugee populations. Nevertheless, the Kingdom's political and social stability has broadly been maintained, as demonstrated by the parliamentary elections in September 2016. Incentivised and supported by agreements signed with the International Monetary Fund (IMF) and the EU Macro-Financial Assistance (MFA), Jordan has designed policies to address the challenges to the country's economic fundamentals and to tackle key issues, such as unemployment, especially among youth and women, and social inequalities. In line with the revised European Neighbourhood Policy, the EU and Jordan adopted in December 2016 the EU-Jordan Partnership Priorities and the EU-Jordan Compact 2016-2018. Through the Partnership Priorities, the EU and Jordan have confirmed their ambition to further strengthen their engagement towards each other, setting a ***strategic*** agenda around three themes. The first focuses on strengthening cooperation on regional stability and security, including counter-terrorism. The second aims to strengthen Jordan's macroeconomic stability and to enhance Jordan’s social and economic development. The third priority, strongly linked to the first and second, focuses on supporting efforts to strengthen governance, the rule of law, democratic reform and respect for human rights. The objective of the EU-Jordan Compact, which addresses the impact of the Syria crisis, is to improve the living conditions of the host communities and the refugees temporarily staying in Jordan. The EU-Jordan Compact includes mutual commitments through which both sides fulfil the pledges made in February 2016 at the London conference on supporting Syria and the region. These commitments were reinforced at the Brussels Conference on Supporting the Future of Syria and the Region on 5 April 2017, including in view of strengthening Jordan's resilience and of sustaining employment creation and inclusive economic growth. The Partnership Priorities also build on the Government of Jordan's national strategies, in particular 'Jordan 2025: a National Vision and Strategy” (hereafter: Vision 2025). 'Vision 2025' is a ten-year socio-economic blueprint aimed at 'improving the welfare of citizens and the basic services to them, creating a balanced society where opportunities are available to all and the gap between governorates is bridged'. Some of the priorities outlined in 'Vision 2025' include: (i) addressing high levels of unemployment, particularly for women and 3 youth, (ii) reducing poverty, notably in disadvantaged regions and (iii) increasing investment. 'Vision 2025' recognises that private sector development will be a key driver in addressing each of these priorities and identifies a series of high value sectors such as digital economy, business services and medical tourism that have the potential to attract investment, create quality jobs and promote inclusive growth. In this regard, EU-Jordan cooperation is fully aligned with this strategy. Overall, good EU-Jordan relations were reflected in a number of highest-level meetings. For instance, EU Principals (EU Presidents and Commissioners) met Queen Rania in January 2016 and King Abdullah II in March 2016. High Representative/Vice President (HR/VP) Mogherini visited Jordan in March 2016 and March 2017; Commissioner Hahn co-chaired the Union for the Mediterranean (UfM) Ministerial under Jordan and EU co-presidency on Development from 30 June to 1 July 2016; Commissioner Thyssen co-chaired the UfM Ministerial on Employment and Labour (27 September 2016). On 19 July 2016, the 10th EUJordan Association Committee inter alia adopted the decision on a temporary simplification of the EU Rules of Origin, with a view to creating job opportunities for Jordanians as well as Syrian refugees. In addition, the Association Committee reviewed the EU-Jordan bilateral cooperation in a number of areas including political and economic reform, security, mobility, and human rights. Finally, the Conference on Supporting the Future of Syria and the Region, hosted by the EU on 5 April 2017, reconfirmed the strong commitment of the EU, the international community and Jordan to a sustained partnership, including in enhancing resilience and sustaining development in view of the impact of the Syria crisis. 1. Strengthening cooperation on regional stability, security including counter-terrorism 1.1 Foreign and security policy Jordan has remained a key partner in the Middle East for the EU in terms of foreign and security policy. Jordan has been playing an active role in support of the multilateral agenda: Jordan was an active member of the UN Security Council in 2014-15; Jordan (with Ireland) was co-facilitator of the New York Declaration of the UN General Assembly Summit on Migration in September 2016; Jordan is part of the International Syria Support Group (ISSG) and has been co-chairing the Union for the Mediterranean since 2012 with the EU. Jordan has pursued a moderate, consensus-seeking role in international politics, which includes engagement in preventing and countering extremist ideology and fighting violent extremism and terrorism. King Abdullah II is involved in international discussions on countering violent extremism and radicalisation, including through the Aqaba process. In March 2017, Jordan successfully hosted the 28th Summit of the League of Arab States, which was also attended by HRVP Mogherini. At the regional level, Jordan has also played an active role. Jordan's priorities on the Syria conflict have been to avoid conflict spill-over, to defeat Da'esh and its affiliates (Jordan takes part in the anti-Da'esh coalition) as well as mitigate the effects of the crisis in Jordan. On the Middle East Peace Process (MEPP), Jordan continues to be an active proponent of the need to find a sustainable solution based on UN Security Council Resolutions leading to a two-state 4 solution. Jordan's special role in preserving the Islamic holy sites in Jerusalem has been a key mitigating factor throughout the reporting period. Jordan hosts the secretariat of the EU Chemical, Biological, Radiological and Nuclear (CBRN) Risk Mitigation Regional Centre of Excellence. Also, the EU has committed support for training of CBRN first ***intervention*** medical staff and for setting up a new legislation on ***strategic*** trade control of dual use materials and technologies. 1.2 Fight against terrorism and violent extremism At the EU-Jordan Counter-Terrorism/Enhanced Security workshop of 15 March 2016 the EU and Jordan agreed to take work forward in three domains: countering violent extremism (CVE); countering the financing of terrorism; aviation and border security, including through the involvement of the EU's specialised agencies. The EU and Jordan also agreed to intensify cooperation in order to tackle the challenges of human trafficking, foreign terrorist fighters and firearms smuggling. The EU has funded a CVE ***programme*** with two components. The first supports the work of the CVE Unit in the Ministry of Culture that entails the development and structuring of the Unit, the building up of a network between appropriate departments, the development of positive alternative narratives, aimed at countering terrorist propaganda as well as a comprehensive study on the drivers behind violent extremism in Jordan. Results of this study are expected in summer 2017. The second component focuses on strengthening the statecitizen relationship, using a bottom-up approach. It supports both the national level as well as the community level in four specific locations: Salt, Ruseifeh, Maan, and East Amman. The European Union has also stepped up its support through bilateral and regional ***programmes*** to the different security departments and agencies, including the Public Security and Civil Defence Department and the Jordanian Armed Forces. Projects have included: disaster risk reduction, crisis management, criminal threats, border management and the control of firearms. Developments in Iraq, but mostly in Syria have led to increased responsibilities for the Jordan Armed Forces in order to tackle the increasing security threats present at the Jordanian borders and within country. Jordan was subject to several security incidents and terrorist attacks in 2016 (Ruqban in June 2016, Baqa'a in June 2016, Al-Jafr in November 2016, Karak in December 2016). Hence, to address these growing security concerns, Jordan and the EU have agreed to focus on capacity building efforts in the field of Integrated Border Management and counter-terrorism. 2. Promoting economic stability, sustainable and knowledge-based growth, quality education and job creation 2.1 Macro-economic issues Due to prudent macroeconomic policies and with important support from the international community, the Jordanian economy has proven resilient in recent years despite several 5 exogenous shocks (major disruptions in gas flows from Egypt, the Syria conflict, regional tensions). However, continuing conflicts and tensions in the region have affected tourism, trade and business confidence, resulting in a slowdown of GDP growth to 2.1% in 2016, from 2.4% in 2015. Consumer prices fell by 0.8% in 2016, reflecting sharp declines in fuel and transport prices. Helped by lower oil prices, the overall fiscal deficit was estimated at around 3.6% of GDP in 2016 down from 5.4% of GDP in 2015. The primary fiscal deficit (excluding grants received, as well as interest paid and transfers made to the national electric power company, NEPCO, and the Water Authority of Jordan, WAJ) was estimated at 3.5% in 2016, down from 5.2% in 2015. Despite lower exports and tourism inflows, the decline of oil prices also contributed to the reduction of the current-account deficit (excluding grants) which nevertheless still remains high at 12.6% of GDP in 2016 (compared to 12.3% in 2015). Despite the economic slowdown, fiscal consolidation advanced following a set of measures taken by the authorities in 2016 to reduce the public deficit and limit the increase in public debt (amounting to 0.8% of GDP). Nevertheless, Jordan’s fiscal position continues to be fragile and dependent on foreign grants, which amounted to around 3% of GDP in 2016. Due to substantial borrowing from foreign donors, as well as the issuance of sovereign bonds, Jordan's gross public debt increased in November 2016 to 95.6% of GDP, from 93.4% at the end of 2015. According to the IMF, the public debt's dynamics can remain sustainable, provided that the country continues to deliver on medium-term fiscal adjustments, with the support of the international community. Important challenges remain: economic growth remains below its potential; the refugee crisis weighs on the economy and public finances and, most importantly, unemployment has continued to increase. After declining to 11.9% in 2014, it rose to 13.1% and 15.8% respectively in 2015 and end of 2016. Unemployment remains particularly high amongst young people and women (35.5% and 25.2%, respectively). Macroeconomic stability has been underpinned by a new three-year IMF Extended Fund Facility (EFF) ***programme*** of USD 723 million, agreed in August 2016. Following a request from the Jordanian authorities, a second EU MFA ***programme*** of EUR 200 million was approved by the EU Council and European Parliament on 14 December 2016, in line with the EUR 2.39 billion pledge made by the EU at the ‘Supporting Syria and the Region’ conference held in London on 4th February 2016. As part of the same decision, the European Commission committed to submitting a proposal for a third MFA operation, if appropriate, following the successful conclusion of the second MFA and provided that the usual preconditions for this type of assistance are met. The second MFA ***programme***, pending the conclusion of a Memorandum of Understanding (MoU) with the Government of Jordan, follows the successful implementation of the first MFA operation of EUR 180 million in loans which was fully disbursed in 2015. 2.2 Trade and private sector-related matters 6 The EU is Jordan's largest trading partner, accounting for 16.9% of its trade in 2015. In 2016, Jordan was the EU’s 58th trading partner representing 0.1% of the EU’s total trade with the world. Total trade in goods between the EU and Jordan in 2016 amounted to EUR 4.4 billion. The EU imported EUR 338 million in goods from Jordan in 2016, mostly chemicals (31%) and machinery and transport equipment (20.8%). The EU exports to Jordan are dominated by machinery and transport equipment (32%), followed by ***agricultural*** products (21.7%) and chemicals (15.3%). Two-way trade in services amounted to EUR 1.4 billion in 2015 with EU import of services representing EUR 0.5 billion and exports EUR 0.9 billion. The enhancement of EU-Jordan trade relations was discussed at the 6th meeting of the EUJordan Subcommittee on Industry, Trade and Services on 7 December 2015. Different issues were addressed, including the reform of the investment and procurement regimes in Jordan, the multilateral World Trade Organisation (WTO) agenda, technical cooperation as well as the relaxation of rules and origin notably in view of the impact of the Syria crisis on Jordan's economy. Related issues pertaining to customs controls and regional cooperation including the Agadir Agreement were discussed at the 8th meeting of the EU-Jordan Customs Cooperation Subcommittee on 15 June 2015. Throughout the discussions and at the 7th meeting of the EU-Jordan Subcommittee on ***Agriculture*** and Fisheries on 2 October 2015 as well, the scope for increased technical cooperation was underlined. The EU and Jordan signed an agreement to simplify the Rules of Origin (RoO) for 52 industrial categories in July 2016. ***Producers*** in Jordan exporting to the EU now benefit from the same rule of origin scheme as Least Developed Countries, provided certain conditions are met. This means that in order for a product to be considered Jordanian, new and more flexible rules apply in comparison to those agreed under the EU-Jordan Association Agreement. The purpose of the relaxed regime is to encourage Jordanian exports to the EU, enhance investments and create job opportunities in Jordan's formal sector for both Jordanians and Syrian refugees. The measure is in place for a period of ten years and covers 18 development zones and industrial areas; it requires benefiting companies to employ a minimum percentage of Syrian refugees (15% of the workforce in a respective production facility over the first two years of the agreement, 25% thereafter). By April 2017, six factories had obtained authorisation to export under the RoO scheme and more were being supported through a Quick Wins Pilot Project. The Pilot Project has identified 21 factories that will be provided with technical assistance and matchmaking with EU buyers and distributors to enable them to export to the EU. Four employment centres have been established in Amman, Irbid, Zarqa, and Mafraq, in view of matching available labour skills with appropriate job opportunities in production facilities covered by the RoO decision and to ensure that 15% of employees in these factories are Syrian workers. Private sector development and improved business market Jordan's international partners, including the EU, have identified three areas in which market reforms would unlock the growth potential of the Jordanian economy. 7 First, the transparency and predictability of the regulatory framework for business should be increased, in view of enhancing a friendly business environment and tackling the widespread informal sector. This would involve improved public accountability and public service delivery as well as better communication towards the private sector on the legislation in place in particular sectors. The Government of Jordan is currently looking into these issues in order to take adequate policy measures. Second, the business and investment environment should be enhanced, notably by improving the insolvency law, easing the start of a business, cutting red tape pertaining to licensing and permits delivery. This would increase Jordan's capacity to attract Foreign Direct Investment (FDI) and encourage European investors to consider Jordan as an investment destination. The EU Budget Support ***Programme*** on Microfinance operated together with the Central Bank of Jordan to facilitate the access of Micro, Small and Medium Enterprises (MSMEs) to funding. Thirdly, streamlining of inspections is necessary. A draft inspection law is foreseen under the IMF EFF ***programme*** to streamline inspection mandates and processes. The Inspection Law has been drafted but is yet to be adopted by Parliament. Similarly, a number of non-fiscal benchmarks are awaiting implementation, including the implementation of a risk-based framework for Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) supervision of banks and money exchange firms. Some of those regulatory measures have also been taken up in the framework of the IMF ***programme***. The Financing Agreement for an EU ***programme*** in support of private sector development in Jordan was signed by the Government of Jordan in December 2016 and its implementation started in early 2017. The ***programme*** - worth a total of EUR 55 million - includes a EUR 41 million Budget Support Measure and two complementary actions aimed at both supporting the Government in implementing 'Vision 2025' and promoting the private sector. The overall objective of this ***programme*** is to increase income and employment, promote women and youth's social economic inclusion, and facilitate economic development in disadvantaged regions of the country. 2.3 Renewable Energy, Energy Efficiency, Climate Change and Sustainable Natural Resource Management In the field of energy generation, Jordan has witnessed major changes since March 2015, with an increase of installed capacity of 500 Megawatt by the end of 2016, mostly from solar photovoltaic (PV) stations. Jordan marked a milestone in May 2016 by launching the Liquefied Natural Gas Terminal in Aqaba, enabling to supply gas corresponding to 80% of the country's electricity needs. With regard to electricity prices, the Government continued to implement the agreement with IMF to remove subsidies, and linked further price rises to the oil barrel price exceeding USD 55. For oil derivatives, in early 2017 the Government authorised two companies to start importing oil derivatives from abroad. 8 In the field of energy efficiency, the EU has provided support to Jordan, to enhance energy efficiency within major electricity consuming sectors including water pumping and transport. The EU has continued to play a prominent role in Jordan's green energy development. The latest bilateral support ***programme*** with Jordan, 'Renewable Energy and Energy Efficiency ***Programme*** in Jordan (REEE II)' builds on REEE I and other EU bilateral support. A mix of sector budget support, project and technical assistance modalities facilitated continued support to energy efficiency in Jordan, further to Jordan's national priorities set within the country's 2007-2020 and 2015-2025 sector strategies and ***plans***. On climate change and environmental mainstreaming, the Government presented its intended nationally determined contributions report (INDCs) in 2015, prior to the Paris COP. This climate action ***plan*** includes an unconditional greenhouse gas emission reduction target of 1.5% by 2030 and an additional target of 12.5%, conditional to international support. Jordan ratified the Paris agreement in 2016 and participated positively in the Marrakesh COP of 2016. Jordan also adopted a Green Growth ***plan*** in autumn 2016, and has focussed its investments within the following sectors: energy, waste management, tourism, water, transport and ***agriculture***, with an aim to enhance green economy development. The EU has supported the development and implementation of sustainable energy policies, in view of mitigating the risk of climate change. A regional EU-funded project has contributed to mainstream the Sustainable Energy Action ***Plans*** (SEAP) concept at municipal level. Furthermore the EU has supported Jordan in the implementation of its national waste management strategy adopted in November 2015. The EU has provided funding to increase the capacity for the treatment of urban waste water, to alleviate the increased demands on the existing infrastructure impacted as well by the significant refugee presence in Jordan. Also, in the area of water management, the EU has pledged EUR 40 million in initial support to the Red-Dead Sea Project, pending a positive conclusion of the environmental impact assessment. The 7th EU-Jordan Subcommittee on Transport, Energy and Environment of 16-17 March 2015 reviewed EU-Jordan cooperation in the respective areas. Both the EU and Jordan provided updates on relevant strategies and policies, confirming the mutual commitment to sustain cooperation where appropriate. The EU provided technical support to Jordan through regional EuroMed projects and stimulated cooperation with EU Transport agencies to implement the Regional Transport Action ***Plan*** for the Mediterranean Region (RTAP) 2014-2020 as adopted in the Union for the Mediterranean framework. Jordan was also involved in the development of the regional transport network (the Trans-Mediterranean transport Network). Furthermore, Jordan is also involved in the Union for the Mediterranean process related to the development of the Blue Economy in the Mediterranean. 2.4 Education, Employment and Employability 9 For the period 2012-2018 the EU has committed EUR 374 million to the education sector in Jordan in the field of basic education, technical and vocational education and training (TVET) as well as higher education, targeting both Jordanians and Syrians. The EU has a tradition of supporting the Jordanian primary and secondary education sector. Since 2011, the EU has funded a Budget Support ***Programme*** of EUR 33 million aimed at strengthening the education reform strategy in the areas of teacher training, pre-school education in underprivileged areas and special need education. Within this ***programme*** six new schools will be built by 2017. Between 2013 and 2015, the EU provided EUR 35 million in support of TVET, with a focus on the design of a qualification framework and mapping out a future strategy. This ***programme*** was succeeded in 2015 by a EUR 52 million Budget Support ***programme***, which focuses on strengthening the coordination of the TVET system and includes EUR 6 million in technical assistance for a service contract which is currently under tender procedure. 2.5 Culture, Research and Innovation Within the Higher Education sector, Jordan participated in the 3rd South Med regional dialogue in Brussels in 2016. Under the Erasmus+ ***programme***, in the period 2015-2016, 23 capacity building projects involving Jordanian universities were selected for an amount of EUR 11.8 million, to support the national higher education modernisation agenda. Also, 102 mobility projects linking European and Jordanian universities were selected, targeting the mobility of around 1200 students and staff. 15 Master students have benefited from Erasmus Mundus full scholarships. In the non-formal education field, the Erasmus+ youth strand has supported the mobility of 780 young people, volunteers and youth workers to Europe while around 388 participants were hosted in Jordan. Additional support in the field of education for Syrian refugees has been made available through special measures for Syria and the EU Regional Trust Fund (Madad). This support targeted basic and vocational education as well as higher education. In total EUR 105 million have been allocated for the period 2013-2019 as budget support to the Ministry of Education which covers the education needs of around 130,000 children. Some 5,000 underprivileged Jordanian and Syrian students benefit from ***interventions*** in the field of vocational training. Separately, 1,800 students from this target group benefit from different higher education ***programmes***. Jordan's reform efforts in the area of education and vocational education and training, were also in line with the points put forward by the King in his 7th Discussion Paper issued in April 2017. The EU has supported research and innovation in Jordan since 2007 in order to increase Jordan scientific and technological capacity by promoting applied research conducted by academia and private sector (Industrial and SMEs). With the 'Support to Research, Technological Development and Innovation in Jordan ***programme*** – Phase I and II' (SRTD I 10 and II), the EU has provided support to bridge the gap between science and business in Jordan and to increase the contribution of the country’s research and technological development and innovation sectors to national economic growth and employment. Over 120 researchers received EU grants to develop and commercialise innovative ideas. A network of Technology Transfer Offices was established throughout the country to help future researchers combine science and business. The ***programme*** also created opportunities for integration into the European Research Area and for networking with national, regional and international stakeholders. Under Horizon 2020 Jordanian entities have participated in ***programmes*** under eight grants and have benefited from an EU contribution amounting to EUR 1 million. Also, more than 200 innovators were trained on how to make the best use of Horizon 2020. In February 2017 Jordan reaffirmed its commitment to join the forthcoming Partnership for Research and Innovation in the Mediterranean Area (PRIMA), a major initiative with a total budget of almost EUR 500 million which aims to foster regional cooperation in research and innovation on food systems and water resources. Exploratory talks between Jordan and the EU have been ongoing since early 2017 in preparation of an envisaged international agreement which would enable Jordan to join PRIMA on equal footing with other Participating States (including relevant EU Member States and third countries associated to Horizon 2020). In addition, the EU provided support to SESAME (Synchrotron–Light for Experimental Sciences and Applications in the Middle East), a unique research installation in the Middle East connecting scientists from 9 different countries of the region. SESAME and other actions in which the EU and Jordan have cooperated were also discussed on 14 April 2015 at the 7th Subcommittee meeting on Research and Innovation. In the field of culture Jordan has benefited from two EU regional ***programmes*** that supported Jordan's cultural policy reform, promoted investment and the development of cultural operators' business capabilities as well as the development of cluster initiatives in cultural and creative industries. 2.6 Response to the Syrian refugee crisis Jordan is one of the countries in the region most affected by the Syria crisis. According to the 2015 population census, which was carried out by the Department of Statistics, about 1.3 million Syrians live in Jordan, out of which 658,000 are registered with UNHCR (around 10% of the Jordanian population). The EU has been at the forefront in providing humanitarian assistance and advocating protection for the populations affected by the Syria crisis. More than 77% are women and children and approximately 85% of the refugees live outside camps. 90 % of the Syrian refugees living outside camps are reported to live below the Jordanian absolute poverty line of JOD 68 /person/month. Also, it is estimated that about 131,000 Syrian refugees have not completed or have been unable to update their government registration. 11 Overall, Jordan's basic public services in the sectors of health, education, water and sanitation, municipal services, solid waste and electricity supply have been put under considerable pressure to respond to the increasing demands. Despite that pressure, Jordan has made progress with support of the EU and other donors in setting a model to address the needs of both host communities and Syrian refugees. As agreed at the London Conference on Syria and the Region of 4 February 2016, the Government of Jordan has started to open up livelihood opportunities for Syrian refugees in Jordan (including derogation periods for requesting residence, delivery of 42,000 work permits to Syrian refugees by April 2017 and implementation of the relaxed Rules of Origin) and has now enrolled 125,000 Syrian students in the formal education system. It has also hired 3,200 new trained teachers employed in double–shift schools and around 2,500 new teachers in single shift schools. Following a terrorist attack at the North Eastern border of Jordan with Syria in June 2016, a large number of displaced Syrians remained stranded in extremely poor conditions at the northern border in the makeshift camps of Ruqban and Hadalat. Aid delivery at 'the berm' has been irregular and subject to strict security limitations by the Jordanian authorities. The EU-hosted Brussels Conference on Supporting the Future of Syria and the Region in April 2017, confirmed the international community's continued support to Jordan and Syria's other neighbours in enhancing the country's resilience and sustainable economic growth in light of the impact of the Syria's crisis. The Conference co-chairs on behalf of the international community agreed with Jordan on a number of mutual commitments in view of reaching those goals. At the Conference, Prime Minister Al-Mulki underlined the heavy impact of the continued Syria refugee crisis and called for continued support for Jordan's Response ***Plan*** for the Syria Crisis. He also called for sustained international support to implement investment and business reform, in line with Jordan's Vision 2025, in order to boost inclusive economic growth. The EU reaffirmed both its support for Syrian refugees and Jordanian host communities and its long-term political and financial support to Jordan including its intention to support inclusive growth and job creation through cooperation ***programmes*** and technical assistance. 3. Strengthening democratic governance, the rule of law and human rights 3.1 Democracy and good governance Jordan continued to make gradual progress towards a deeper and more inclusive democracy during the reporting period. Parliamentary elections were held on 20 September 2016 and were assessed by the EU Election Observation Mission as generally well-administered and inclusive. The legislative framework needs to be further improved, in particular regarding the universality and equality of

the vote. The voter turnout was close to 36% of the electorate. More than half of the Parliamentarians are new. While the aim of the new electoral system was to engender a partybased system, political parties (9 with 30 seats out of 130) remain a minority. The parliament includes 20 women, five of whom were directly elected (15 through reserved seats). 12 The Parliament plays a limited role in policy formulation, which remains mainly in the hand of the directly appointed executive. The next electoral steps for Jordan will be the elections of municipal and governorate councils which are expected to be held in August 2017. The legal framework includes the 2016 Law on the Election of the Chamber of Deputies (LPE), the Law on Political Parties (LPP) and the Executive Instructions of the Independent Elections Commission. The new legislation, fully or in part, built on a number of recommendations provided by the 2013 EU Election Observation Mission (EOM). In 2016, a EUR 15 million comprehensive democratic governance ***programme*** was initiated, consisting of: support to the Independent Election Commission; technical assistance to the Parliament, the political party system and civil society. Through this ***programme***, the EU intends to support Jordan's political reform process which aims to consolidate democracy and to promote inclusiveness in policy and decision making processes, with a strong focus on women and youth. In order to provide the government and society as a whole with good quality statistical information to increase evidence-based decision-making as well as transparency and accountability of the government, the EU facilitated a Peer Review of the Jordanian statistical system, which was carried out in February 2017. The peer review report will provide a number of recommendations to further enhance the services of the Department on Statistics. 3.2 Human rights Security is still a major concern for the country, especially in light of regional instability and the presence and activities of Da'esh in its proximity. Based on these security concerns, extraordinary measures were taken. Non-governmental organisations (NGOs) and journalists have reported that freedoms of expression and association were challenged by the use of counterterrorism provisions. However, some positive steps were undertaken in the judiciary field with regard to the respect of human rights; the prison penalties and pre-trial detention were reduced in the draft Penal/Criminal Procedures law; the anticorruption law was updated by adding definitions of new criminal offences and improving protection of witnesses and informants. A Royal Council on the reform of the judicial system was established. King Abdullah II also presented a Royal Discussion Paper 'Rule of Law and Civil State', outlining a roadmap on how to reach a civil state where law applies to all. Lastly, the Comprehensive National ***Plan*** for Human Rights 2016-2025 and a subsequent Executive ***Plan*** of the Ministry of Justice were published. The legal framework on human trafficking was improved; and the Jordanian Integrity and Anti-Corruption Commission (JIACC) was established by merging the Anti- Corruption Commission and the Ombudsman office. A de facto moratorium on death penalty, already interrupted with executions in 2014 and 2015, was further eroded in March 2017 when 15 people (of which 10 convicted of terrorism) were executed by hanging. Around 100 people are currently estimated to be on death row. 13 Cases of alleged torture and ill-treatment in police and state security facilities continued to be reported by human rights defenders and Civil Society Organisations (CSOs). Women continued to experience discrimination mainly due to the lack of a comprehensive legislation on gender equality. In the Global Gender Gap index for 2016, Jordan ranked 134 out of 144 countries. Jordan maintained reservations (mainly in the field of inheritance, divorce, child custody and social security) to the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW). Although the proportion of women has increased in the newly elected Parliament (from 12 % to 15 %), the representation of women in the Cabinet has dropped to only two female ministers out of 30. Jordan's civil society remained active, and the number of registered CSOs increased substantially. However, challenges remained for Jordan civil society's full participation in public life and policy formulation – due to legislative and bureaucratic obstacles as well as issues of capacity and coordination within civil society itself. The impact of the Cabinet resolution of 6 April 2017 subjecting CSOs to the provisions of the Anti-Money Laundering and Counter-Terrorism Financing Law can be assessed in future reports. Throughout the reporting period, Jordan has continued to play its long-standing role in promoting peaceful religious coexistence and supporting the freedom of religion or belief. The 10th EU-Jordan subcommittee on Human Rights, Democracy and Governance was held in October 2016. The EU, while acknowledging the security challenges in Jordan and the region, highlighted, amongst others, the importance of upholding the freedom of expression and the freedom of association and assembly and space for civil society, and stressed that the best antidote for radicalisation is an open society where human rights and fundamental freedoms are respected. The EU-funded projects contracted during the reporting period, focused on reinforcing the capacity of civil society and media as well as the National Centre for Human Rights, supporting democratic governance, strengthening child protection and promoting the empowerment of women. 3.3 Rule of law Jordan continued to work towards a Rule of Law based democracy. The trend to make reference to precedence of international law over national legislation was continued in a number of decisions by various courts; new articles to strengthen the legal aid framework were inserted in the draft Penal Procedure Code and doubling of the funding for legal aid was noted in the budget for the Ministry of Justice. The establishment of an impartial, effective and well-functioning judicial system is one of the major milestones in achieving the objectives of the Justice Reform Strategy and the Criminal Justice Strategy. A number of results can be noted so far, mainly: the adoption of the Juvenile Law and the establishment of juvenile courts and the establishment of a Legal Aid unit within the Ministry of Justice. The reform process already shows a greater integration amongst key players in the judicial field and greater operational independence with agreed coordination of 14 the key institutions. Through budget support, combined with a regular policy dialogue, the EU and Jordan have engaged in strong partnership on justice reform. The 'Committee for Developing the Judiciary and Enhancing the Rule of Law' presented its judicial reform ***plan*** to the King in February 2017, with a view to improving the performance and integrity of the judiciary. Questioning the practice of lenient sentences for rapists if they marry their victims and for perpetrators of honour killings invoking 'family honour' as a reason for murdering female relatives, the Committee inter alia recommended amendments to the Penal Code. The Government proposed in April 2017 to amend the Penal Code and scrap Article 308 accordingly. The use of the State Security Courts as well as the informal use of tribal law system alongside the formal legal system raises human rights concerns. 4. Cross-cutting priority: Mobility partnership implementation Several initiatives were developed in the context of the EU-Jordan Mobility Partnership, signed in October 2014 and in which the EU together with 16 Member States participate. For instance, in July 2016 a three-year project financed by the EU and implemented by the International Centre for Migration Policy Development (ICMPD) was launched addressing trafficking of human beings and engaging with Jordanian expatriate communities abroad. Also under the Mobility Partnership framework and further to a mandate given by the EU Council, the EU and Jordan started in November 2016 formal discussions on Visa Facilitation and Readmission of persons residing without authorisation. 5. EU Financial assistance The financial allocation for EU-Jordan bilateral cooperation under the ENI bilateral assistance (Single Support Framework, SSF)) in the reporting period (March 2015 – April 2017) amounted to EUR 200 million and focused on: Private Sector Development, Solid Waste management, Enhanced Democratic Governance, Renewable Energy and Energy Efficiency. The EU is now in the process of defining its ENI bilateral assistance for 2017- 2020, in line with the EU-Jordan Partnership Priorities and Compact. The SSF 2017-2020 is expected to be adopted by October 2017. Furthermore, in order to mitigate the spill-over effects of the Syria crisis and to enhance the resilience of the country, additional dedicated EU funding has been committed during the same reporting period to support Jordan in tackling immediate and mid-term challenges: - EUR 166 million in humanitarian assistance to Syrian refugees; - EUR 15 million from the Instrument Contributing to Stability and Peace (IcSP) to address logistical, capacity-building and security needs deriving from the refugee crisis and to strengthen resilience to growing domestic radicalisation; - EUR 186 million, mainly in the education, livelihoods and water, sanitation and hygiene sectors, including EUR 116 million from the EU Trust Fund in response to the Syrian crisis; - EUR 380 million for two subsequent ***programmes*** of macro-financial assistance. 15 Concluding remarks This year marks the 15 year anniversary of the entry into force of the Jordan-EU Association agreement. The EU will continue to provide assistance for the implementation of political and economic reforms necessary to provide long term sustainability to the country. The Partnership Priorities and the Compact provide the required framework for the ***strategic*** development of EU-Jordan cooperation in the coming years. Through policy dialogue, financial assistance, and concrete projects, including in collaboration with international partners, the EU will continue to support measures aiming at improved governance, the rule of law, economic development, security, and migration to contribute to a secure, democratic and economically strong Jordan. Furthermore, the EU will ensure a follow up for the implementation of the agreement which simplified the rules of origin and therefore allows Jordanian goods to more easily enter the European markets. Progress in achieving the identified priorities in the above mentioned frameworks will be monitored through various thematic subcommittee meetings that will be organised in clusters in order to enhance their effectiveness. Jordan, will continue to work to enhance political and economic structural reforms in line with the EU-Jordan mutual commitment to human rights, democracy, and the rule of law, as enshrined in the Association Agreement, the foundation of a bilateral partnership based on common values and interests.

**Load-Date:** August 8, 2017

**End of Document**



[***Washington: TEXT OF AMENDMENTS***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P5V-MX51-JDG9-Y046-00000-00&context=1516831)

Impact News Service

August 4, 2017 Friday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 9285 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 SA 752. Mr. ALEXANDER (for Mr. Manchin) proposed an amendment to the bill S. 581, to include information concerning a patient's opioid addiction in certain medical records; as follows: Strike all after the enacting clause and insert the following: SECTION 1. SHORT TITLE. This Act may be cited as ``Jessie's Law''. SEC. 2. INCLUSION OF OPIOID ADDICTION HISTORY IN PATIENT RECORDS. (a) Best Practices.-- (1) In general.--Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services, in consultation with appropriate stakeholders, including a patient with a history of opioid use disorder, an expert in electronic health records, an expert in the confidentiality of patient health information and records, and a health care provider, shall identify or facilitate the development of best practices regarding-- (A) the circumstances under which information that a patient has provided to a health care provider regarding such patient's history of opioid use disorder should, only at the patient's request, be prominently displayed in the medical records (including electronic health records) of such patient; (B) what constitutes the patient's request for the purpose described in subparagraph (A); and (C) the process and methods by which the information should be so displayed.

(2) Dissemination.--The Secretary shall disseminate the best practices developed under paragraph (1) to health care providers and State agencies. (b) Requirements.--In identifying or facilitating the development of best practices under subsection (a), as applicable, the Secretary, in consultation with appropriate stakeholders, shall consider the following: (1) The potential for addiction relapse or overdose, including overdose death, when opioid medications are prescribed to a patient recovering from opioid use disorder. (2) The benefits of displaying information about a patient's opioid use disorder history in a manner similar to other potentially lethal medical concerns, including drug allergies and contraindications. (3) The importance of prominently displaying information about a patient's opioid use disorder when a physician or medical professional is prescribing medication, including methods for avoiding alert fatigue in providers. (4) The importance of a variety of appropriate medical professionals, including physicians, nurses, and pharmacists, to have access to information described in this section when prescribing or dispensing opioid medication, consistent with Federal and State laws and regulations. (5) The importance of protecting patient privacy, including the requirements related to consent for disclosure of substance use disorder information under all applicable laws and regulations. (6) All applicable Federal and State laws and regulations. \_\_\_\_\_\_ SA 753. Mr. JOHNSON (for himself, Mr. Donnelly, and Mrs. Capito) proposed an amendment to the bill S. 204, to authorize the use of unapproved medical products by patients diagnosed with a terminal illness in accordance with State law, and for other purposes; as follows: Strike all after the enacting clause and insert the following: SECTION 1. SHORT TITLE. This Act may be cited as the ``Trickett Wendler, Frank Mongiello, Jordan McLinn, and Matthew Bellina Right to Try Act of 2017''. SEC. 2. USE OF UNAPPROVED INVESTIGATIONAL DRUGS BY PATIENTS DIAGNOSED WITH A TERMINAL ILLNESS. (a) In General.--Chapter V of the Federal Food, Drug, and Cosmetic Act is amended by inserting after section 561A (21 U.S.C 360bbb-0) the following: [[Page S4884]] ``SEC. 561B. INVESTIGATIONAL DRUGS FOR USE BY ELIGIBLE PATIENTS. ``(a) Definitions.--For purposes of this section-- ``(1) the term `eligible patient' means a patient-- ``(A) who has been diagnosed with a life-threatening disease or condition (as defined in section 312.81 of title 21, Code of Federal Regulations (or any successor regulations)); ``(B) who has exhausted approved treatment options and is unable to participate in a clinical trial involving the eligible investigational drug, as certified by a physician, who-- ``(i) is in good standing with the physician's licensing organization or board; and ``(ii) will not be compensated directly by the manufacturer for so certifying; and ``(C) who has provided to the treating physician written informed consent regarding the eligible investigational drug, or, as applicable, on whose behalf a legally authorized representative of the patient has provided such consent; ``(2) the term `eligible investigational drug' means an investigational drug (as such term is used in section 561)-- ``(A) for which a Phase 1 clinical trial has been completed; ``(B) that has not been approved or licensed for any use under section 505 of this Act or section 351 of the Public Health Service Act; ``(C)(i) for which an application has been filed under section 505(b) of this Act or section 351(a) of the Public Health Service Act; or ``(ii) that is under investigation in a clinical trial that-- ``(I) is intended to form the primary basis of a claim of effectiveness in support of approval or licensure under section 505 of this Act or section 351 of the Public Health Service Act; and ``(II) is the subject of an active investigational new drug application under section 505(i) of this Act or section 351(a)(3) of the Public Health Service Act, as applicable; and ``(D) the active development or production of which is ongoing and has not been discontinued by the manufacturer or placed on clinical hold under section 505(i); and ``(3) the term `phase 1 trial' means a phase 1 clinical investigation of a drug as described in section 312.21 of title 21, Code of Federal Regulations (or any successor regulations). ``(b) Exemptions.--Eligible investigational drugs provided to eligible patients in compliance with this section are exempt from sections 502(f), 503(b)(4), 505(a), and 505(i) of this Act, section 351(a) of the Public Health Service Act, and parts 50, 56, and 312 of title 21, Code of Federal Regulations (or any successor regulations), provided that the sponsor of such eligible investigational drug or any person who manufactures, distributes, prescribes, dispenses, introduces or delivers for introduction into interstate commerce, or provides to an eligible patient an eligible investigational drug pursuant to this section is in compliance with the applicable requirements set forth in sections 312.6, 312.7, and 312.8(d)(1) of title 21, Code of Federal Regulations (or any successor regulations) that apply to investigational drugs. ``(c) Use of Clinical Outcomes.-- ``(1) In general.--Notwithstanding any other provision of this Act, the Public Health Service Act, or any other provision of Federal law, the Secretary may not use a clinical outcome associated with the use of an eligible investigational drug pursuant to this section to delay or adversely affect the review or approval of such drug under section 505 of this Act or section 351 of the Public Health Service Act unless-- ``(A) the Secretary makes a determination, in accordance with paragraph (2), that use of such clinical outcome is critical to determining the safety of the eligible investigational drug; or ``(B) the sponsor requests use of such outcomes. ``(2) Limitation.--If the Secretary makes a determination under paragraph (1)(A), the Secretary shall provide written notice of such determination to the sponsor, including a public health justification for such determination, and such notice shall be made part of the administrative record. Such determination shall not be delegated below the director of the agency center that is charged with the premarket review of the eligible investigational drug. ``(d) Reporting.-- ``(1) In general.--The manufacturer or sponsor of an eligible investigational drug shall submit to the Secretary an annual summary of any use of such drug under this section. The summary shall include the number of doses supplied, the number of patients treated, the uses for which the drug was made available, and any known serious adverse events. The Secretary shall specify by regulation the deadline of submission of such annual summary and may amend section 312.33 of title 21, Code of Federal Regulations (or any successor regulations) to require the submission of such annual summary in conjunction with the annual report for an applicable investigational new drug application for such drug. ``(2) Posting of information.--The Secretary shall post an annual summary report of the use of this section on the internet website of the Food and Drug Administration, including the number of drugs for which clinical outcomes associated with the use of an eligible investigational drug pursuant to this section was-- ``(A) used in accordance with subsection (c)(1)(A); ``(B) used in accordance with subsection (c)(1)(B); and ``(C) not used in the review of an application under section 505 of this Act or section 351 of the Public Health Service Act.''. (b) No Liability.-- (1) Alleged acts or omissions.--With respect to any alleged act or omission with respect to an eligible investigational drug provided to an eligible patient pursuant to section 561B of the Federal Food, Drug, and Cosmetic Act and in compliance with such section, no liability in a cause of action shall lie against-- (A) a sponsor or manufacturer; or (B) a prescriber, dispenser, or other individual entity (other than a sponsor or manufacturer), unless the relevant conduct constitutes reckless or willful misconduct, gross negligence, or an intentional tort under any applicable State law. (2) Determination not to provide drug.--No liability shall lie against a sponsor manufacturer, prescriber, dispenser or other individual entity for its determination not to provide access to an eligible investigational drug under section 561B of the Federal Food, Drug, and Cosmetic Act. (3) Limitation.--Except as set forth in paragraphs (1) and (2), nothing in this section shall be construed to modify or otherwise affect the right of any person to bring a private action under any State or Federal product liability, tort, consumer protection, or warranty law. SEC. 3. SENSE OF THE SENATE. It is the sense of the Senate that section 561B of the Federal Food, Drug, and Cosmetic Act, as added by section 2-- (1) does not establish a new entitlement or modify an existing entitlement, or otherwise establish a positive right to any party or individual; (2) does not establish any new mandates, directives, or additional regulations; (3) only expands the scope of individual liberty and agency among patients, in limited circumstances; (4) is consistent with, and will act as an alternative pathway alongside, existing expanded access policies of the Food and Drug Administration; (5) will not, and cannot, create a cure or effective therapy where none exists; (6) recognizes that the eligible terminally ill patient population often consists of those patients with the highest risk of mortality, and use of experimental treatments under the criteria and procedure described in such section 561A involves an informed assumption of risk; and (7) establishes national standards and rules by which investigational drugs may be provided to terminally ill patients. \_\_\_\_\_\_ SA 754. Mr. MERKLEY submitted an amendment intended to be proposed by him to the bill H.R 2430, to amend the Federal Food, Drug, and Cosmetic Act to revise and extend the user-fee ***programs*** for prescription drugs, medical devices, generic drugs, and biosimilar biological products, and for other purposes; which was ordered to lie on the table; as follows: At the end of title IX, insert the following: SEC. 906. BAN ON CHARACTERIZING FLAVORS IN NEWLY DEEMED TOBACCO PRODUCTS. A product that is a newly deemed tobacco product under the rule entitled ``Deeming Tobacco Products To Be Subject to the Federal Food, Drug, and Cosmetic Act, as Amended by the Family Smoking Prevention and Tobacco Control Act; Restrictions on the Sale and Distribution of Tobacco Products and Required Warning Statements for Tobacco Products'', published May 10, 2016 (81 Fed. Reg. 28973), or any of component parts of such tobacco product (including the tobacco, filter, or paper) shall not contain, as a constituent (including a smoke constituent) or additive, an artificial or natural flavor (other than tobacco or menthol) or an herb or spice, including strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, or coffee, that is a characterizing flavor of the tobacco product or tobacco smoke. \_\_\_\_\_\_ SA 755. Mr. MERKLEY submitted an amendment intended to be proposed by him to the bill H.R 2430, to amend the Federal Food, Drug, and Cosmetic Act to revise and extend the user-fee ***programs*** for prescription drugs, medical devices, generic drugs, and biosimilar biological products, and for other purposes; which was ordered to lie on the table; as follows: At the end of title IX, insert the following: SEC. 906. TOBACCO PRODUCTS. Notwithstanding any other provision of law, the Commissioner of Food and Drugs may not delay the deadline, set forth in the rule entitled ``Deeming Tobacco Products To Be Subject to the Federal Food, Drug, and Cosmetic Act, as Amended by the Family Smoking Prevention and Tobacco Control Act; Restrictions on the Sale and Distribution of Tobacco Products and Required Warning Statements for Tobacco Products'', published May 10, 2016 (81 Fed. Reg. 28973), for submission of premarket tobacco product applications required for new tobacco products under section 910 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C 387j). [[Page S4885]] \_\_\_\_\_\_ SA 756. Mr. VAN HOLLEN submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_. REPORT ON COMPLIANCE WITH RUNWAY CLEAR ZONE REQUIREMENTS. (a) In General.--Not later than 270 days after the date of the enactment of this Act, the Secretary of Defense, in consultation with the Service secretaries, shall submit to the congressional defense committees a report on Service compliance with Department of Defense and relevant Service policies regarding Department of Defense runway clear zones. (b) Elements.--The report required under subsection (a) shall include the following elements: (1) A listing of all Department of Defense runway clear zones in the United States that are not in compliance with Department of Defense and relevant Service policies regarding Department of Defense runway clear zones. (2) A ***plan*** for bringing all Department of Defense runway clear zones in full compliance with these policies, including a description of the resources required to bring these clear zones into policy compliance, and for providing restitution for property owners. \_\_\_\_\_\_ SA 757. Mr. VAN HOLLEN submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle C of title VII, add the following: SEC. 737. TRANSFER TO DEPARTMENT OF DEFENSE OF AUTHORITY TO OPERATE NATIONAL BIODEFENSE ANALYSIS AND COUNTERMEASURES CENTER. (a) In General.--There is transferred from the Department of Homeland Security to the Department of Defense the authority to operate the National Biodefense Analysis and Countermeasures Center (in this section referred to as the ``Center''). (b) Transfer of Amounts.--The Secretary of Homeland Security shall transfer to the Secretary of Defense such amounts as may be necessary to operate the Center for a two- year period. (c) Timing of Transfer.--The Secretary of Homeland Security shall conduct an expedient transfer of authority under subsection (a) and amounts under subsection (b) within one year after the date of the enactment of this Act. (d) Role of Department of Defense After Transfer.--After the transfer of authority under subsection (a), the Secretary of Defense shall-- (1) serve as the executive agent and custodian for operations of the Center; (2) support the activities of the Center, particularly those activities that support Federal government customers; (3) ensure that the needs of all customers of the Center are met; and (4) enter into memoranda of understanding with beneficiaries of the Center to ensure equitable cost sharing in the activities of the Center. (e) Ongoing Operations.--The Secretary of Homeland Security and the Secretary of Defense shall ensure that the transfer of authority under subsection (a) does not diminish or curtail the ongoing operations of the Center. \_\_\_\_\_\_ SA 758. Ms. BALDWIN submitted an amendment intended to be proposed by her to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_\_. EXEMPTION FROM CALCULATION OF MONTHLY INCOME, FOR PURPOSES OF BANKRUPTCY LAWS, CERTAIN PAYMENTS FROM DEPARTMENT OF VETERANS AFFAIRS AND DEPARTMENT OF DEFENSE. Section 101(10A) of title 11, United States Code, is amended by striking subparagraph (B) and inserting the following: ``(B)(i) includes any amount paid by any entity other than the debtor (or in a joint case the debtor and the debtor's spouse), on a regular basis for the household expenses of the debtor or the debtor's dependents (and in a joint case the debtor's spouse if not otherwise a dependent); and ``(ii) excludes-- ``(I) benefits received under the Social Security Act; ``(II) payments to victims of war crimes or crimes against humanity on account of their status as victims of such crimes; ``(III) payments to victims of international terrorism (as defined in section 2331 of title 18) or domestic terrorism (as defined in section 2331 of title 18) on account of their status as victims of such terrorism; ``(IV) compensation under chapter 11 of title 38; ``(V) compensation under chapter 13 of title 38; ``(VI) pension under chapter 15 of title 38; ``(VII) retired pay payable to members of the Armed Forces retired under section 1201 or 1204 of title 10; ``(VIII) retired pay payable to members of the Armed Forces placed on the temporary disability retired list under section 1202 or 1205 of title 10; ``(IX) disability severance pay payable under section 1212 of title 10 to members separated from the Armed Forces under section 1203 or 1206 of that title; ``(X) retired pay payable in accordance with section 1201 or 1202 of title 10, or disability severance pay payable in accordance with section 1203 of that title, to members of the Armed Forces eligible for such pay by reason of section 1207a of that title; ``(XI) combat-related special compensation payable under section 1413a of title 10; ``(XII) any monthly annuity payable under the Survivor Benefit ***Plan*** under subchapter II of chapter 73 of title 10 if the participant in the ***Plan*** with respect to whom the annuity is payable was retired for physical disability under chapter 61 of that title; ``(XIII) the special survivor indemnity allowance payable under section 1450(m) of title 10; and ``(XIV) any monthly special compensation payable to members of the uniformed services with catastrophic injuries or illnesses under section 439 of title 37.''. \_\_\_\_\_\_ SA 759. Ms. BALDWIN submitted an amendment intended to be proposed by her to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle E of title III, add the following: SEC. \_\_\_. ACCELERATION OF ENVIRONMENTAL RESTORATION ACTIVITIES AT FORMER ARMY AMMUNITION PLANTS. (a) Availability of Funds.--Of the amount authorized to be appropriated for fiscal year 2018 by section 301 and available for environmental restoration, Army, as specified in the funding table in section 4301, not less than $100,000,000 shall be used to accelerate ongoing remediation activities at former Army ammunition plants. (b) Remediation Activities Defined.--In this section, the term ``remediation activities'' includes actions required under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C 9601 et seq.) in connection with environmental remediation, the development, deployment, and operation of appropriate groundwater remediation to provide clean drinking water to impacted communities, the testing of groundwater contaminant levels, and engagements with such communities to incorporate preferred approaches to environmental remediation. In the funding table in section 4201, in the item relating to the Long Range Standoff Weapon of the Air Force, decrease the amount in the Senate Authorized column by $100,000,000. In the funding table in section 4301, in the item relating to Environmental Restoration, Amy, increase the amount in the Senate Authorized column by $100,000,000. \_\_\_\_\_\_ SA 760. Mr. WARNER (for himself and Mr. Sullivan) submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: Strike section 1606 and insert the following: SEC. 1606. LAUNCH SUPPORT AND INFRASTRUCTURE MODERNIZATION. (a) In General.--In support of the policy outlined in section 2273 of title 10, United States Code, the Secretary of Defense shall carry out a ***program*** to modernize infrastructure and improve support activities for processing and launch of United States national security space missions from ranges owned or operated by the Federal Government or State governments. (b) Elements.--The ***program*** required by this section shall include-- (1) investments in infrastructure to improve operations at ranges in the United States that may benefit all users, to enhance the overall capabilities of those ranges, to [[Page S4886]] improve safety, and to reduce the long-term cost of operations and maintenance; (2) measures to normalize processes, systems, and products across the ranges described in paragraph (1) to minimize the burden on launch providers; and (3) improvements in transparency, flexibility, and responsiveness for launch scheduling. (c) Consultation.--In carrying out the ***program*** required by this section, the Secretary should consult with current and anticipated users of ranges in the United States. (d) Cooperation.--In carrying out this section, the Secretary should consider partnerships authorized under section 2276 of title 10, United States Code. (e) Report.-- (1) Report required.--Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the ***plan*** for the implementation of the launch support and infrastructure modernization ***program*** at ranges in the United States. (2) Elements.--The report required under paragraph (1) shall include-- (A) a description of ***plans*** and the resources needed to improve launch support infrastructure, utilities, support equipment, and range operations; (B) a description of ***plans*** to streamline and normalize processes, systems, and products at ranges described in paragraph (1) to ensure consistency for range users; and (C) recommendations for improving transparency, flexibility, and responsiveness in launch scheduling. \_\_\_\_\_\_ SA 761. Mr. BROWN (for himself and Mr. Scott) submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_\_. IMPORTANCE OF HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND MINORITY-SERVING INSTITUTIONS. (a) Findings.--Congress finds that-- (1) historically Black colleges and universities (HBCUs) and minority-serving institutions play a vital role in educating low-income and underrepresented students in areas of national need; (2) HBCUs and minority-serving institutions presently are collaborating with the Department of Defense in research and development efforts that contribute to the defense readiness and national security of the Nation; (3) by their research these institutions are helping to develop the next generation of scientists and engineers who will help lead the Department of Defense in addressing high- priority national security challenges; and (4) it is important to further engage HBCUs and minority- serving institutions in university research and innovation, especially in prioritizing software development and cyber security by utilizing existing Department of Defense labs, and collaborating with existing ***programs*** that help attract candidates, including ***programs*** like the Air Force Minority Leaders ***Programs***, which recruit Americans from diverse background to serve their country through service in our Nation's military. (b) Increase.--Funding in Research, Development, Test, and Evaluation, Defense-wide, PE 61228D8Z, section 4201, for Basic Research, Historically Black Colleges and Universities/ Minority Institutions, Line 006, is hereby increased by $12,000,000. (c) Offset.--Funding in section 4101 for Other Procurement, Army, for Automated Data Processing Equipment, Line 108, is hereby reduced by $12,000,000. \_\_\_\_\_\_ SA 762. Mr. YOUNG submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle F of title X, add the following: SEC. \_\_. REPORTS ON COMPTROLLER GENERAL OF THE UNITED STATES RECOMMENDATIONS NOT FULLY IMPLEMENTED BY THE DEPARTMENT OF DEFENSE. (a) Secretary of Defense Report.--Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives and the Comptroller General of the United States a report listing all outstanding recommendations of the Comptroller General applicable to the Department of Defense that have not been fully implemented. (b) Comptroller General Report.--Not later than 30 days after the date on which the Secretary submits the report required by subsection (a), the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report detailing any discrepancies between the list of outstanding recommendations included in such report and the list of the Comptroller General of the outstanding recommendations applicable to the Department that have not been fully implemented. (c) Implementation Report.-- (1) In general.--Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the status of implementation of each recommendation of the Comptroller General listed in the report under subsection (a). (2) Justification.--The report required by paragraph (1) shall include the following: (A) For each recommendation listed in the report that the Department decided not to fully implement, or to implement in a different manner than recommended by the Comptroller General, a detailed justification for the decision. (B) For each recommendation the Department decided to adopt, but has not fully implemented, a timeline for full implementation. (C) An explanation for any discrepancies between the report and the Comptroller General report submitted under subsection (b). (d) Form.--Any information included in a report under this section shall, to the extent practicable, be submitted in unclassified form, but may be set forth in a classified annex. \_\_\_\_\_\_ SA 763. Mr. ROUNDS submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle E of title V, add the following: SEC. \_\_\_. ANNUAL REPORT ON PARTICIPATION IN THE TRANSITION ASSISTANCE ***PROGRAM*** FOR MEMBERS OF THE ARMED FORCES. Section 1144 of title 10, United States Code, is amended by adding at the end the following new subsection: ``(g) Annual Report.--(1) Not later than February 28 each year, the Secretary of Defense shall submit to Congress a report on the participation of members of the armed forces in the ***program*** under this section during the preceding year. ``(2) Each report under this subsection shall set forth, for the year covered by such report, the following: ``(A) The number of members who were eligible for participation in the ***program***, in aggregate and by component of the armed forces. ``(B) The number of members who participated in the ***program***, in aggregate and by component of the armed forces, for each of the following: ``(i) Preseparation counseling provided by the Department of Defense. ``(ii) Briefings provided by the Department of Veterans Affairs. ``(iii) Employment workshops provided by the Department of Labor. ``(C) The number of members who did not participate in the ***program*** due to a waiver of the participation requirement under subsection (c)(2) for each service set forth in subparagraph (B). ``(3) Each report under this subsection may also include such recommendations for legislative or administrative action as the Secretary of Defense, in consultation with the Secretary of Labor, the Secretary of Veterans Affairs, and the Secretary of Homeland Security, considers appropriate to increase participation of members of the armed forces in each service set forth in paragraph (2)(B).''. \_\_\_\_\_\_ SA 764. Mr. VAN HOLLEN submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_. FACILITIES REDUCTION ***PROGRAM***. The Secretary of the Army shall consider the following factors when making resource allocations from the Facilities Reduction ***Program***: (1) The potential risk of contaminated unused facilities to Army readiness and to Army missions. (2) The cost to maintain and secure unused and obsolete facilities. \_\_\_\_\_\_ SA 765. Mr. VAN HOLLEN submitted an amendment intended to be proposed [[Page S4887]] by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordere

d to lie on the table; as follows: At the end of subtitle D of title X, add the following: SEC. \_\_\_. DEPARTMENT OF DEFENSE FUNDING SUPPORT FOR THE NATIONAL CONSORTIUM FOR THE STUDY OF TERRORISM AND RESPONSES TO TERRORISM. From amounts authorized to be appropriated or otherwise made available for the Department of Defense for fiscal year 2018, the Secretary of Defense may provide funds to the National Consortium for the Study of Terrorism and Responses to Terrorism (START) in order to support ***programs*** and activities of the National Consortium that contribute to Department of Defense missions and capabilities. \_\_\_\_\_\_ SA 766. Mr. VAN HOLLEN submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle E of title X, add the following: SEC. \_\_\_. IMPROVEMENT OF AUTHORITIES ON PROTECTION OF CERTAIN FACILITIES AND ASSETS FROM UNMANNED AIRCRAFT. Subparagraph (C) of section 130i(e)(1) of title 10, United States Code, is amended to read as follows: ``(C) relates to-- ``(i) the airspace above a military installation, airfield, or range; ``(ii) any area within 500 meters horizontally or vertically of a military aircraft, vessel, or convoy; ``(iii) any restricted, limited, or exclusion area of a military installation; ``(iv) any airspace that is prohibited or restricted for military purposes; ``(v) any area the presence in which of an unmanned aircraft or unmanned aircraft system could interfere with lawful defense activities, including airfield and military operations and training; or ``(vi) any area the presence in which of an unmanned aircraft or unmanned aircraft system could pose a national security risk through the unauthorized disclosure of sensitive or classified information.''. \_\_\_\_\_\_ SA 767. Mr. PERDUE proposed an amendment to the bill S. 765, to amend title 18, United States Code, to provide for penalties for the sale of any Purple Heart awarded to a member of the Armed Forces; as follows: Strike all after the enacting clause and insert the following: SECTION 1. SHORT TITLE. This Act may be cited as the ``Private Corrado Piccoli Purple Heart Preservation Act''. SEC. 2. FINDINGS. Congress finds the following: (1) The Purple Heart medal solemnly recognizes the great and sometimes ultimate sacrifice of American servicemembers like Private Corrado Piccoli. (2) The Purple Heart medal holds a place of honor as the national symbol of this sacrifice and deserves special protections. SEC. 3. PENALTY FOR SALE OF PURPLE HEARTS AWARDED TO MEMBERS OF THE ARMED FORCES. Section 704 of title 18, United States Code, is amended-- (1) in subsection (a), by striking ``Whoever'' and inserting ``Except as provided in subsection (e), whoever''; and (2) by adding at the end the following: ``(e) Purple Heart.-- ``(1) Penalty.--Whoever willfully purchases, attempts to purchase, solicits for purchase, mails, ships, imports, exports, ***produces*** blank certificates of receipt for, manufactures, sells, attempts to sell, advertises for sale, trades, barters, or exchanges for anything of value any Purple Heart awarded to a member of the armed forces or former member of the armed forces by the Secretary of the military department concerned, except when authorized under regulations made pursuant to law, shall be fined under this title, imprisoned not more than 6 months, or both. ``(2) Limitation on regulations.--Regulations described in paragraph (1) may not authorize the sale of any Purple Heart awarded to a member of the armed forces or former member of the armed forces by the Secretary of the military department concerned, unless the sale is conducted by the member or former member to whom the Purple Heart was awarded. ``(3) Definition.--In this subsection, the term `willfully' means the voluntary, intentional violation of a known legal duty.''. \_\_\_\_\_\_ SA 768. Mr. DONNELLY submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_. PREVENTING OUTSOURCING. (a) Consideration of Outsourcing.-- (1) In general.--Chapter 137 of title 10, United States Code, is amended by inserting after section 2327 the following new section: ``Sec. 2327a. Contracts: consideration of outsourcing of jobs ``(a) Disclosure of Outsourcing of Jobs.-- ``(1) In general.--The head of an agency shall require a contractor that submits a bid or proposal in response to a solicitation issued by the agency to disclose in that bid or proposal if the contractor, or a subsidiary of the contractor, owns a facility for which there is an outsourcing event during the three-year period ending on the date of the submittal of the bid or proposal. ``(2) Outsourcing event.--For purposes of paragraph (1), the term `outsourcing event' means a plant closing or mass layoff (as described in section 2(a) of the Worker Adjustment and Retraining Notification Act (29 U.S.C 2101(a)) in which the employment loss (excluding any part-time employees) for positions which will be moved to a country outside of the United States exceeds 50 employees. ``(b) Consideration Authorized.--(1) Agency contracting officers considering bids or proposals in response to a solicitation issued by the agency may take into account any disclosure made pursuant to subsection (a) in such bids and proposals. ``(2) The head of an agency may establish a negative preference of up to 10 percent of the cost of a contract for purposes of evaluating a bid or proposal of a contractor that makes a disclosure pursuant to subsection (a). ``(c) Sense of Congress.--It is the sense of Congress that agency contracting officers should, using section 2304(b)(3) of this title, exclude contractors making a disclosure pursuant to subsection (a) in response to solicitations issued by the agency from the bidding process in connection with such solicitations on the grounds that the actions described in the disclosures are against the public interests of the United States. ``(d) Annual Report.--The head of each agency shall submit to Congress each year a report on the following: ``(1) The number of solicitations made by the agency during the preceding year for which disclosures were made pursuant to subsection (a) in responsive bids or proposals. ``(2) The number of contracts awarded by the agency during the preceding year in which such disclosures were taken into account in the contract award.''. (2) Clerical amendment.--The table of sections at the beginning of chapter 137 of such title is amended by inserting after the item relating to section 2327 the following new item: ``2327a. Contracts: consideration of outsourcing of jobs.''. (b) Exclusion of Firms From Sources.--Section 2304(b) of such title is amended-- (1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; (2) by inserting after paragraph (2) the following new paragraph: ``(3) The head of an agency may provide for the procurement of property and services covered by this chapter using competitive procedures but excluding a source making a disclosure pursuant to section 2327a(a) of this title in the bid or proposal in response to the solicitation issued by the agency if the head of the agency determines that the actions described by disclosure are against the public interests of the United States and the source is to be excluded on those grounds. Any such determination shall take into account the sense of Congress set forth in section 2327a(c) of this title.''; and (3) in paragraph (3), as so redesignated, by striking ``paragraphs (1) and (2)'' and inserting ``paragraphs (1), (2), and (3)''. (c) Regulations and Guidance.-- (1) In general.--Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall amend the Defense Federal Acquisition Regulation Supplement to carry out the requirements of section 2327a of title 10, United States Code, as added by this section. (2) Training and guidance.--The Secretary of Defense shall develop and provide clear training and guidance to acquisition officials, contracting officers, and current and potential contractors regarding implementation policies and practices for section 2327a of title 10, United States Code, as added by this section. (3) Definition of outsourcing.--For purposes of defining outsourcing pursuant to paragraphs (1) and (2), the Secretary of Defense may utilize regulations prescribed by the Secretary of Labor. (d) Rule of Construction.--This section, and the amendments made by this section, shall be applied in a manner consistent with [[Page S4888]] United States obligations under international agreements. \_\_\_\_\_\_ SA 769. Mr. WICKER (for Mrs. Fischer) proposed an amendment to the bill S. 88, to ensure appropriate spectrum ***planning*** and interagency coordination to support the Internet of Things; as follows: SECTION 1. SHORT TITLE. This Act may be cited as the ``Developing Innovation and Growing the Internet of Things Act'' or ``DIGIT Act''. SEC. 2. FINDINGS; SENSE OF CONGRESS. (a) Findings.--Congress finds that-- (1) the Internet of Things refers to the growing number of connected and interconnected devices; (2) estimates indicate that more than 50,000,000,000 devices will be connected to the Internet by 2020; (3) the Internet of Things has the potential to generate trillions of dollars in new economic activity around the world; (4) businesses across the United States can develop new services and products, improve operations, simplify logistics, cut costs, and pass savings on to consumers by utilizing the Internet of Things and related innovations; (5) the United States leads the world in the development of technologies that support the Internet and the United States technology sector is well-positioned to lead in the development of technologies for the Internet of Things; (6) the United States Government can implement this technology to better deliver services to the public; and (7) the Senate unanimously passed Senate Resolution 110, 114th Congress, agreed to March 24, 2015, calling for a national strategy for the development of the Internet of Things. (b) Sense of Congress.--It is the sense of Congress that policies governing the Internet of Things should maximize the potential and development of the Internet of Things to benefit all stakeholders, including businesses, governments, and consumers. SEC. 3. DEFINITIONS. In this Act: (1) Commission.--The term ``Commission'' means the Federal Communications Commission. (2) Secretary.--The term ``Secretary'' means the Secretary of Commerce. (3) Steering committee.--The term ``steering committee'' means the steering committee established under section 4(e)(1). (4) Working group.--The term ``working group'' means the working group convened under section 4(a). SEC. 4. FEDERAL WORKING GROUP. (a) In General.--The Secretary shall convene a working group of Federal stakeholders for the purpose of providing recommendations and a report to Congress relating to the aspects of the Internet of Things described in subsection (b). (b) Duties.--The working group shall-- (1) identify any Federal regulations, statutes, grant practices, budgetary or jurisdictional challenges, and other sector-specific policies that are inhibiting, or could inhibit, the development of the Internet of Things; (2) consider policies or ***programs*** that encourage and improve coordination among Federal agencies with jurisdiction over the Internet of Things; (3) consider any findings or recommendations made by the steering committee and, where appropriate, act to implement those recommendations; and (4) examine-- (A) how Federal agencies can benefit from utilizing the Internet of Things; (B) the use of Internet of Things technology by Federal agencies as of the date on which the working group performs the examination; (C) the preparedness and ability of Federal agencies to adopt Internet of Things technology in the future; and (D) any additional security measures that Federal agencies may need to take to-- (i) safely and securely use the Internet of Things, including measures that ensure the security of critical infrastructure; and (ii) enhance the resiliency of Federal systems against cyber threats to the Internet of Things. (c) Agency Representatives.--In convening the working group under subsection (a), the Secretary shall have discretion to appoint representatives and shall specifically consider seeking representation from-- (1) the Department of Commerce, including-- (A) the National Telecommunications and Information Administration; (B) the National Institute of Standards and Technology; and (C) the National Oceanic and Atmospheric Administration; (2) the Department of Transportation; (3) the Department of Homeland Security; (4) the Office of Management and Budget; (5) the National Science Foundation; (6) the Commission; (7) the Federal Trade Commission; (8) the Office of Science and Technology Policy; (9) the Department of Energy; and (10) the Federal Energy Regulatory Commission. (d) Nongovernmental Stakeholders.--The working group shall consult with nongovernmental stakeholders, including-- (1) the steering committee; (2) information and communications technology manufacturers, suppliers, service providers, and vendors; (3) subject matter experts representing industrial sectors other than the technology sector that can benefit from the Internet of Things, including the energy, ***agriculture***, and health care sectors; (4) small, medium, and large businesses; (5) think tanks and academia; (6) nonprofit organizations and consumer groups; (7) rural stakeholders; and (8) other stakeholders with relevant expertise, as determined by the Secretary. (e) Steering Committee.-- (1) Establishment.--There is established within the Department of Commerce a steering committee to advise the working group. (2) Duties.--The steering committee shall advise the working group with respect to-- (A) the identification of any Federal regulations, statutes, grant practices, ***programs***, budgetary or jurisdictional challenges, and other sector-specific policies that are inhibiting, or could inhibit, the development of the Internet of Things; (B) whether adequate spectrum is available to support the growing Internet of Things and what legal or regulatory barriers may exist to providing any spectrum needed in the future; (C) policies or ***programs*** that-- (i) promote or are related to the privacy of individuals who use or are affected by the Internet of Things; (ii) may enhance the security of the Internet of Things, including the security of critical infrastructure; (iii) may protect users of the Internet of Things; and (iv) may encourage coordination among Federal agencies with jurisdiction over the Internet of Things; (D) the opportunities and challenges associated with the use of Internet of Things technology by small businesses; and (E) any international proceeding, international negotiation, or other international matter affecting the Internet of Things to which the United States is or should be a party. (3) Membership.--The Secretary shall appoint to the steering committee members representing a wide range of stakeholders outside of the Federal Government with expertise relating to the Internet of Things, including-- (A) information and communications technology manufacturers, suppliers, service providers, and vendors; (B) subject matter experts representing industrial sectors other than the technology sector that can benefit from the Internet of Things, including the energy, ***agriculture***, and health care sectors; (C) small, medium, and large businesses; (D) think tanks and academia; (E) nonprofit organizations and consumer groups; (F) rural stakeholders; and (G) other stakeholders with relevant expertise, as determined by the Secretary. (4) Report.--Not later than 1 year after the date of enactment of this Act, the steering committee shall submit to the working group a report that includes any findings or recommendations of the steering committee. (5) Independent advice.-- (A) In general.--The steering committee shall set the agenda of the steering committee in carrying out the duties of the steering committee under paragraph (2). (B) Suggestions.--The working group may suggest topics or items for the steering committee to study, and the steering committee shall take those suggestions into consideration in carrying out the duties of the steering committee. (C) Report.--The steering committee shall ensure that the report submitted under paragraph (4) is the result of the independent judgment of the steering committee. (6) Termination.--The steering committee shall terminate on the date on which the working group submits the report under subsection (f) unless, on or before that date, the Secretary files a new charter for the steering committee under section 9(c) of the Federal Advisory Committee Act (5 U.S.C App.). (f) Report to Congress.-- (1) In general.--Not later than 18 months after the date of enactment of this Act, the working group shall submit to Congress a report that includes-- (A) the findings and recommendations of the working group with respect to the duties of the working group under subsection (b); (B) the report submitted by the steering committee under subsection (e)(4), as the report was received by the working group; (C) recommendations for action or reasons for inaction, as applicable, with respect to each recommendation made by the steering committee in the report submitted under subsection (e)(4); and (D) an accounting of any progress made by Federal agencies to implement recommendations made by the working group or the steering committee. (2) Copy of report.--The working group shall submit a copy of the report described in paragraph (1) to-- (A) the Committee on Commerce, Science, and Transportation and the Committee on Energy and Natural Resources of the Senate; (B) the Committee on Energy and Commerce of the House of Representatives; and (C) any other committee of Congress, upon request to the working group. [[Page S4889]] SEC. 5. ASSESSING SPECTRUM NEEDS. (a) In General.--The Commission, in consultation with the National Telecommunications and Information Administration, shall issue a notice of inquiry seeking public comment on the current, as of the date of enactment of this Act, and future spectrum needs of the Internet of Things. (b) Requirements.--In issuing the notice of inquiry under subsection (a), the Commission shall seek comments that consider and evaluate-- (1) whether adequate spectrum is available to support the growing Internet of Things; (2) what regulatory barriers may exist to providing any needed spectrum for the Internet of Things; and (3) what the role of licensed and unlicensed spectrum is and will be in the growth of the Internet of Things. (c) Report.--Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives a report summarizing the comments submitted in response to the notice of inquiry issued under subsection (a). \_\_\_\_\_\_ SA 770. Mr. MURPHY submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle E of title X, add the following: SEC. \_\_\_. SUNSET OF AUTHORIZATION FOR USE OF MILITARY FORCE. (a) Sunset.--Section 2 of the Authorization for Use of Military Force (Public Law 107-40; 50 U.S.C 1541 note) is amended by adding at the end the following new subsection: ``(c) Sunset.--The authority to use force in this resolution shall expire on the date that is three years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2018, unless reauthorized or extended by an Act of Congress.''. (b) Sense of Congress.--It is the sense of Congress that-- (1) the need will remain to defend against specific networks of violent extremists, including al Qaeda and its affiliates, that threaten the United States; and (2) the President must work with Congress to secure whatever authorities may be required to meet that threat in a manner that complies with the Constitution and the War Powers Resolution (50 U.S.C 1541 et seq.). \_\_\_\_\_\_ SA 771. Ms. MURKOWSKI (for Mr. Carper) proposed an amendment to the bill S. 1099, to provide for the identification and prevention of improper payments and the identification of ***strategic*** sourcing opportunities by reviewing and analyzing the use of Federal agency charge cards; as follows: On page 5, beginning on line 6, strike ``General Services Administration Office of Charge Card Management'' and insert ``the General Services Administration''. \_\_\_\_\_\_ SA 772. Ms. MURKOWSKI (for Mr. Young) proposed an amendment to the bill S. 1182, to require the Secretary of the Treasury to mint commemorative coins in recognition of the 100th anniversary of The American Legion; as follows: In section 7(d), in the subsection heading, strike ``GAO Audit'' and insert ``Audit''. \_\_\_\_\_\_ SA 773. Ms. MURKOWSKI (for Mr. Sullivan) proposed an amendment to the bill S. 756, to reauthorize and amend the Marine Debris Act to promote international action to reduce marine debris, and for other purposes; as follows: Beginning on page 3, strike line 3 and all that follows through page 3, line 23, and insert the following: ``(2) Assistance.--If the Administrator makes a determination under paragraph (1) that there is a severe marine debris event, the Administrator is authorized to make sums available to be used by the affected State or by the Administrator in cooperation with the affected State-- ``(A) to assist in the cleanup and response required by the severe marine debris event; or ``(B) to conduct such other activity as the Administrator determines is appropriate in response to the severe marine debris event.''. On page 4, beginning on line 24, strike ``Federal funding for research and development'' and insert ``research and development, including through the establishment of a prize competition,''.

**Load-Date:** August 5, 2017

**End of Document**



[***Register of Commission documents: Research for REGI Committee - Implementation of Cohesion Policy in the 2014-2020 Programming Period - January 2018 UPDATE Document date: 2018-01-18 IPOL\_BRI(2016)563425 Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RJ1-4S11-JDG9-Y1TJ-00000-00&context=1516831)

Impact News Service

January 30, 2018 Tuesday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 1906 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

Briefing DG IPOL Policy Department for Structural and Cohesion Policies Author: Diána Haase, Research Administrator European Parliament PE 563.425 January 2018 Research for REGI Committee: Implementation of Cohesion Policy in the 2014-2020 ***Programming*** Period January 2018 UPDATE The implementation timetable for cohesion policy is defined largely by its legislative framework, which explicitly provides for European Parliament involvement in a number of cases. In order to be able to ***plan*** parliamentary work and exercise systematic scrutiny of policy implementation and of the Commission’s work, it is essential to have an overview of the expected timing of different steps in policy implementation in the coming years. The briefing was first published in 2014, and has been updated since then. The briefing includes a detailed (but non-exhaustive) timetable of policy actions connected with the implementation of the European Structural and Investment Funds in the second half of 2017, together with an overview of major actions for the remainder of the ***programming*** period, from 2019. Annual Overview 2018 Policy actions Sources January Commission to notify delegated act on list of indicators for EGTC under Article 17 –January 2017 (tbc). EC ***planning*** February Meeting of the Priority Area Coordinators of Danube Strategy - 1 and 22 February 2018. Meeting of the Directors-General responsible for Cohesion Policy - 14 February 2018. ESF High Level Conference - 15 February 2018. Meeting of the National Territorial Cohesion Contact Points - 28 February 2018. BG PRES ***planning*** BG PRES ***planning*** BG PRES ***planning*** BG PRES ***planning*** March Meeting of the Urban Development Group - 1 March 2018. End date of public consultation on “”Evaluation of the EU's Strategy on Adaptation to Climate Change” - 1 March 2018. End date of public consultation on “EU funds in the area of cohesion” - 8 March 2018. Conference on the future Multiannual Financial Framework - 9 March 2018. Commission’s Annual Progress Report to spring European Council to include a section on ESI Funds – every 2 years from 2018. BG PRES ***planning*** EC ***planning*** EC ***planning*** BG PRES ***planning*** CPR Art.

53(4) 2 2018 Policy actions Sources Commission to adopt CPR technical amendment linked to 2018 annual budget. EC ***planning*** April General Affairs Council on Cohesion - 12 April 2018. Directors General Meeting on Territorial Cohesion – 19 April 2018. Directors General Meeting on Urban Policy - 20 April 2018. BG PRES ***planning*** BG PRES ***planning*** BG PRES ***planning*** May International Forum on Tourism and Energy within the framework of the EU Strategy for the Danube Region- 23 May 2018. Joint Meeting of the EUSDR National Coordinators and Priority Area Coordinators - 25 May 2018. Deadline for Commission to present proposal for new MFF – (before) 1 January 2018 expected in May 2018. BG PRES ***planning*** BG PRES ***planning*** MFF Art. 25 EC ***planning*** June High-level conference “EU Cohesion Policy: post 2020 perspectives for convergence and sustainable regions” - 7-8 June 2018. BG PRES ***planning*** August Deadline for Commission to submit report on the application of EGTC to EP, Council, CoR – 1 August 2018 (expected in July). EGTC Art. 1(16) amending Art. 17 of 1082/2006, EC ***planning*** October The European Week of Regions and Cities (OPEN DAYS) - 8-11 October 2018. Meeting of Ministers from the Danube Region together with the Annual Forum of the EUSDR - 18 October 2018. CoR BG PRES ***planning*** December Deadline for completing evaluation of ESF-YEI joint support – 31 December 2018. Deadline for review of FR – by end of 2018 at latest (entering into force of “Omnibus” is likely due in 2018). Commission to provide summary of progress on financial instruments and send it to Parliament and Council – 30 November/31 December (each year from 2016, within 6 months of the deadline for submission of annual implementation reports). Commission to report on the implementation of EU macro-regional strategies - December 2018. End of power conferred on Commission to adopt delegated acts – 21 December 2018. ESF Art. 19(6) FR Art. 211 CPR Article 46(4) EC ***planning*** EGTC Art. 1(17), amending Art. 17a of 1082/2006 Unspecified/ Commission to adopt the proposals on the regulatory framework of the European EC ***planning*** 3 2018 Policy actions Sources annual Structural and Investment Funds (ESIF) post-2020 - Shortly after post-2020 MFF package / before the summer break. Mid-term verification of additionality. Ex post evaluation of major projects supported by ERDF and Cohesion Fund between 2000 and 2013 - transport - 4th quarter of 2018. Ex post evaluation of the European Union Solidarity Fund 2002 -2016 - 4th quarter of 2018. Commission to submit to COESIF annual summary on ERDF contribution to IPA II and ENI - annually. Commission to report to Parliament and Council on consultation of organisations representing partners at Union level – at least once a year. Commission to transmit summary report based on annual implementation reports and available evaluations to Parliament, Council, EESC, CoR – annually (expected in December). Annual review meeting between Member States and Commission - annually (from 2016). EIB to submit annual report to EP and Council on EIB financing and investment operations under EFSI Regulation (including where EFSI is combined with ESIF) - annually. Potential upwards revision of YEI resources in the framework of the budgetary procedure - annually (from 2016 to 2020). CPR Art. 95(5) EC ***planning*** EC ***planning*** ETC Article 4(9) CPR Article 5(6) CPR Article 53(1) EC ***planning*** CPR Article 51(1) EFSI Article 16(2) CPR Annex VIII.IV (see also MFF Art. 14 and ESF Art. 16) 4 Multiannual Overview 2019-2025 2019 2020 March CPR Art. 53(4) Commission’s Annual Progress Report to spring European Council to include a section on ESI Funds – every 2 years from 2018 May EC ***planning*** Mid-term evaluation of the JASPERS initiative in 2014-2020 - May 2019 August CPR Art. 52(1) Deadline for Member States to submit progress report to Commission 31 August 2019 December CPR Art. 53(2) Deadline for Commission to submit ***strategic*** report to EP, Council, EESC, CoR – 31 December 2019 Art. 57(3) Deadline for Commission to complete ex post evaluations of dedicated ***programmes*** (‘SME initiative’) – 31 December 2019 CPR Art. 149(2), ERDF Art. 14(2), ETC Art. 29(2), CF Art. 7(2), ESF Art. 24(2) End of power conferred on Commission to adopt delegated acts – 31 December 2020 CPR Art. 76 Cut-off date for budgetary commitments – 31 December 2020 CPR Art. 151, ERDF Art. 6, ETC Art. 31, CF Art. 9, ESF Art. 28 Deadline for review of regulations – 31 December 2020 Unspecified CPR Art. 21 Performance review of ***programmes*** in each Member State, undertaken by Commission in cooperation with Member States Art. 22(2) Commission to adopt decisions linked to achievement of milestones CPR Art. 113 8th Cohesion report Annual CPR Art. 5(6) Commission to report to EP and Council on consultation of organisations representing partners at Union level – at least once a year Art. 46(4) Commission to provide summary of progress on financial instruments and send it to Parliament and Council – 30 November / 31 December (each year from 2016, within 6 months of deadline for submission of annual implementation reports) Art. 53(1) Commission to transmit summary report based on annual implementation reports and available evaluations to Parliament, Council, EESC, CoR each year from 2016 Annex VIII.IV (see also Art. 14 of MFF and Art. 16 of ESF) Potential upwards revision of YEI resources in the framework of the budgetary procedure 2021-25 CPR Art. 95(5) Ex-post verification of additionality - 2022 Art. 114(2) Managing authorities to submit report summarising the findings of evaluations - 31 December 2022 Art 134(2) Final annual pre-financing amount to be paid (from 2016 onwards)- 1 July 2023 Art. 50(1) and 111(1) and ETC Art. 17 Last submission by Member States of annual implementation reports - 2023\* Art. 51(1) Last annual review meeting between Member States and Commission - 2023 Art 65(2) Cut-off date for eligibility of expenditure - 31 December 2023 Art. 136(2) Decommitment deadline - 31 December 2023 Art. 2(29) Final accounting year to end - 30 June 2024 Art. 127(4) Last update of audit strategy - 2024 Art. 57(2) Deadline to complete ex post evaluations - 31 December 2024 Art. 138 and FR 59(5) Final year for Member States to submit documents on accounts, management declaration, annual summary, audit opinion and control report - 15 February 2025 Art. 57(4) Deadline for Commission to prepare a synthesis report on the basis of ex-post evaluations - 31 December 2025 \* See also provision related to the final implementation report for the final accounting year from 1 July 2023 to 30 June 2024 - CPR Article 141 on Submission of closure documents and payment of the final balance. 5 List of abbreviations BG PRES ***planning*** Information available on the website of The Bulgarian Presidency of the Council of the European Union CF Cohesion Fund (Regulation (EU) No 1300/2013) COESIF Coordination Committee for the European Structural and Investment Funds CoR Committee of the Regions CPR Common Provisions Regulation CPR AM for Greece Regulation (EU) 2015/1839 of 14 October 2015 amending the CPR (specific measures for Greece) EC ***planning*** Information available on the European Commission at Work, Better Regulation, Regional policy - Inforegio, Employment, Social Affairs and Inclusion webpages or through (formal or informal) contacts with Commission services EESC European Economic and Social Committee EFSI European Fund for ***Strategic*** Investments (Regulation (EU) No 2015/1017) EGTC European Grouping of Territorial Cooperation (Regulation (EU) No 1302/2013 amending Regulation (EC) No 1082/2006) ENI European Neighbourhood Instrument (Regulation (EU) No 232/2014) EP European Parliament ERDF European Regional Development Fund (Regulation (EU) No 1301/2013) ESF European Social Fund (Regulation (EU) No 1304/2013) ESF AM for YEI Regulation (EU) 2015/779 of 20 May 2015 amending the ESF (additional initial pre-financing, YEI) ESI Funds European Structural and Investment Funds ETC European Territorial Cooperation (Regulation (EU) No 1299/2013) FR Financial Regulation IPA II Instrument for Pre-accession Assistance (Regulation (EU) No 231/2014) MFF Multiannual Financial Framework (Regulation (EU, Euratom) No 1311/2013) YEI Youth Employment Initiative Disclaimer This document is provided to Members of the European Parliament and their staff in support of their parliamentary duties and does not necessarily represent the views of the European Parliament. It should not be considered as being exhaustive. Author Diána Haase, Research Administrator, Policy Department for Structural and Cohesion Policies. Feedback If you wish to give us your feedback please e-mail to Poldep-Cohesion Secretariat: [*poldep-cohesion@ep.europa.eu*](mailto:poldep-cohesion@ep.europa.eu) Policy Department B Within the European Parliament’s Directorate-General for Internal Policies, Policy Department B is the research unit which supplies technical expertise to the following five parliamentary Committees: ***Agriculture*** and Rural Development; Culture and Education; Fisheries; Regional Development; Transport and Tourism. Expertise is ***produced*** either in-house or externally. All REGI publications: [*http://www.europarl.europa.eu/supporting-analyses*](http://www.europarl.europa.eu/supporting-analyses)

**Load-Date:** January 31, 2018

**End of Document**



[***Register of Commission documents: 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC Document date: 2017-09-26 COM\_SWD(2017)0314 SEC docume***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R13-MJ01-F0YC-N2PR-00000-00&context=1516831)

Impact News Service

November 16, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 16460 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN EN EUROPEAN COMMISSION Brussels, 26.9.2017 SWD(2017) 314 final COMMISSION STAFF WORKING DOCUMENT Accompanying the document Report from the Commission to the European Parliament and to the Council Mid-term evaluation of Regulation (EU) No 652/2014 of the European Parliament and of the Council laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material, amending Council Directives 98/56/EC, 2000/29/EC and 2008/90/EC, Regulations (EC) No 178/2002, (EC) 882/2004 and (EC) No 396/2005 of the European Parliament and of the Council, Directive 2009/128/EC of the European Parliament and of the Council and Regulation (EC) No 1107/2009 of the European Parliament and of the Council and repealing Council Decisions 66/399/EEC, 76/894/EEC and 2009/470/EC {COM(2017) 546 final} {SWD(2017) 315 final} {SWD(2017) 316 final} 2 1. INTRODUCTION The European Commission provides financial support to a number of measures within the food chain policy, aimed to contribute to a high level of health for humans, animals and plants. The provisions for the management of this expenditure are laid down in Regulation (EU) No 652/2014 of the European Parliament and of the Council of 15 May 2014. In particular, it covers the spending for food chain, animal health and animal welfare, plant health and plant reproductive material.

It entered into force at the end of June 2014 and established a Common Financial Framework (CFF) for all these areas (hereinafter: the 'CFF Regulation'). Article 42 of the Regulation provides that the Commission establishes and presents to the European Parliament and to the Council a mid-term evaluation report by 30 June 2017. The Commission Report shall assess whether, in terms of their results and impacts, the measures referred to in Chapters I and II of Title II (respectively, animal health and plant health measures) and in Articles 30 and 31 of Chapter III (respectively, European Union Reference laboratories and training activities) of the Regulation achieve the objectives set out in Article 2(1), as regards the efficiency of the use of resources and its added value, at Union level. The Report shall address the scope for simplification, the continued relevance of all objectives, and the contribution of the measures to the Union priorities of smart, sustainable and inclusive growth. It shall also take into account results on the long-term impact of the predecessor measures. The present Staff Working Document (SWD) summarises the outcome of the mid-term evaluation based on the results of a study conducted by an external contractor and on an internal assessment performed by the Commission. The mid-term evaluation fully covers the implementation of the above-referred measures for 2014, 2015 and partially 2016, dependant on preliminary data available. It also takes into account results on the long-term impact of the predecessor measures. It provides a qualitative and quantitative overview of the measures implemented under the CFF Regulation, and assesses them against the five evaluation criteria set by the Better Regulation1 policies in the European Commission: relevance, European added value, effectiveness, efficiency and coherence. The assessment of the sectorial policies under which the financed measures fall are not in the scope of this evaluation. 2. BACKGROUND 2.1 The CFF Regulation In line with the Communication 'A Budget for Europe 2020'2, the CFF Regulation was envisaged in order to improve the functioning of the activities implemented within this area, as well as to focus on EU funding priorities providing real added value. In this view, it aimed 1 [*https://ec.europa.eu/info/law/law-making-process/better-regulation-why-and-how\_en*](https://ec.europa.eu/info/law/law-making-process/better-regulation-why-and-how_en) 2   [*http://ec.europa.eu/budget/library/biblio/documents/fin\_fwk1420/MFF\_COM-2011-500\_Part\_I\_en.pdf*](http://ec.europa.eu/budget/library/biblio/documents/fin_fwk1420/MFF_COM-2011-500_Part_I_en.pdf) 3 at modernising and rationalising the pre-existing financial provisions, providing a simplified financial framework covering the whole food safety area. Most of the spending measures covered by the CFF Regulation used to receive EU financial support under the previous legislation, notably: - in the veterinary area: eradication, control and surveillance ***programmes*** (hereinafter: 'veterinary ***programmes***') implemented by the Member States, which are aimed to progressively eliminate animal diseases and zoonoses and to implement disease control measures; and the veterinary emergency measures, which are aimed to timely cope with emergency situations related to animal health: before the entry into force of the CFF, those activities were covered by the so-called 'veterinary fund', namely Council Decision 2009/470/EC; - in the phytosanitary area: emergency measures to timely cope with emergency situations related to plant health, while preventing further spread and introduction into the Union territory; prior to the CFF Regulation, they were co-financed under Directive 2000/29/EC; - in the area of official controls: the European Union Reference Laboratories (EURLs) activities, which are aimed to ensure high-quality, uniform testing in the EU and to support the Commission activities on risk management and risk assessment in the area of laboratory analysis; and the Better Training for Safer Food (BTSF) ***programme***, which is a training initiative addressing national authority staff involved in official controls in the areas of food and feed law, animal health and welfare and plant health rules: before the CFF they received financial support under Regulation (EC) No 882/2004. Since the entry into force of the CFF Regulation, all the spending activities listed above have their financial provisions under a single framework, with harmonised procedures, standardised rates, clarified eligible costs and measures. From the operational point of view, they are being implemented in full continuity with the predecessor measures. The CFF Regulation introduced new measures in the phytosanitary area, namely the possibility to co-finance the implementation of survey ***programmes*** concerning the presence of pests in the Union territory. They consist of surveillance measures allowing preventing the introduction into the EU or the spread within the EU of harmful organism. 2.2 Objectives of the CFF Regulation The general policy objective of the CFF Regulation is to contribute to a high level of health for humans, animals and plants along the food chain and in related areas, by preventing and eradicating diseases and pests and by ensuring a high level of protection for consumers and the environment, while enhancing the competitiveness of the Union food and feed industry and favouring the creation of jobs. This general objective is crystallised into four specific objectives, one for each of the four spending areas covered by the regulation itself, namely: food safety, animal health and welfare, plant health, official controls. 4 The specific objectives are accompanied by a number of specific indicators, also set out in the CFF Regulation itself, which provides a preliminary basis to conduct a sectorial evaluation of the measures implemented under each of the four covered spending areas. Following to the adoption of the CFF Regulation, those specific indicators were further translated by the DG SANTE policy units concerned into 21 operational technical indicators (listed in Annex VI), which were used in the context of the present evaluation. The CFF general objective, specific objectives, and specific indicators are shown in the table below: Table 1. CFF objectives and indicators General objective To contribute to a high level of health for humans, animals and plants along the food chain and in related areas, by preventing and eradicating diseases and pests and by ensuring a high level of protection for consumers and the environment, while enhancing the competitiveness of the Union food and feed industry and favouring the creation of jobs Specific objectives Food safety: to contribute to a high level of safety of food and food production systems and of other products which may affect the safety of food, while improving the sustainability of food production Animal health and welfare: to contribute to achieving a higher animal health status for the Union and to support the improvement of the welfare of animals Plant health: to contribute to the timely detection of pests and their eradication where those pests have entered the Union Official controls and other activities: to contribute to improving the effectiveness, efficiency and reliability of official controls and other activities carried out with a view to the effective implementation of and compliance with the Union rules (referred to in Article 1) 5 Specific indicators A reduction in the number of cases of diseases in humans in the Union which are linked to food safety or zoonoses An increase in the number of Member States or their regions which are free from animal diseases in respect of which a financial contribution is granted An overall reduction of disease parameters such as incidence, prevalence and number of outbreaks The coverage of the Union territory by surveys for pests, in particular for pests not known to occur in the Union territory and pests considered to be most dangerous for the Union territory The time and success rate for the eradication of those pests A favourable trend in the results of controls in particular areas of concern carried out and reported on by Commission experts in the Member States To achieve the objectives, the EU funding under the CFF Regulation addresses problems related to three major categories of needs in this area, namely the demands for:  increased protection, by preventing risks which might affect animals, plants or any step of the food chain;  proper and timely reaction in case of crisis, by extinguishing the emergency factor or containing its spread;  healthier animals and plants, and safer food, by eliminating diseases and pests which affect the EU Member States. The implementation of the CFF activities is articulated in several levels of ***intervention***, and the specific actions implemented vary depending on the degree of presence of the disease or pest concerned in the EU territory. If a disease or a pest is not present in the EU or in a Member State, but there is a risk that it could enter its territory, a number prevention measures are put in place to avoid its introduction. Particularly, these measures concern the so-called 'trans-boundary' diseases or pests, which are able to spread and transmit regardless of any geographical barrier. They mainly consist in the funding of monitoring activities to be conducted in a buffer zone in neighbouring third countries or regions. In addition, for some ***strategic*** animal diseases, a vaccine stock ('vaccine bank') is also established at EU level, to be immediately used in case of emergency situations. If a certain disease or pest is more likely to enter or has already entered the EU or a Member State, surveillance activities are put in place to, respectively, timely detect its introduction or assess its epidemiological evolution since the initial stages. The early detection is of fundamental importance especially in the case of certain animal diseases and plant which, 6 once entered, may have a potential devastating effect on animal and crop production and on public health. In case an outbreak occurs, early reaction measures are immediately implemented to prevent the spread of the disease or the pest, and to extinguish the outbreak in a short time, in order to minimize the impact on, for instance, plant and animal production and trade. These emergency ***interventions*** include felling of infected trees and phytosanitary treatments, culling of infected animals or, when possible, emergency vaccination, accompanied by movement restrictions. When an animal disease or a plant pest is endemic or detected in the Union territory, a number of cure activities are put in place to progressively eliminate it from the concerned area and prevent its further spread. Particularly, they consist in medium- or long-term eradication ***programmes*** implemented by the Member States, with a consequent positive impact for the Union as whole in terms of on public health, animal or plant productions, internal market and trade. The comprehensive set of measures described above, implemented by the Member States, is complemented by the funding of additional activities aimed to enhance the safety of EU food products in the interest of all European citizens. Particularly, financial support is given for the EU Reference Laboratories (EURLs), which ensures high-quality and uniform testing in the EU, and provides trainings to hundreds of National Reference Laboratories (NRL) in a number of food safety priority areas. Another main element of the EU co-financing for food safety is the initiative 'Better Training for Safer Food', aimed at training every year some 7000 officials of national competent authorities involved in official controls. 3. METHOD The basis for the evaluation was set up in the evaluation roadmap3. The evaluation was supported by an Interservice Steering Group, which oversaw the whole evaluation exercise. The evaluation focuses on the first three years of implementation of the CFF Regulation, fully assessing 2014 and 2015 and only partially 2016, based on preliminary data available. As requested by Article 42 of the CFF Regulation, the following domains were addressed:  Animal health: o Emergency measures. o ***Programmes*** for eradication, control and surveillance of animal diseases and zoonosis (hereinafter: veterinary ***programmes***), where:  Eradication ***programmes*** aim to result in biological extinction of an animal disease or zoonosis. The final target of an eradication ***programme*** shall be to obtain the free or officially free-status of the territory according to Union legislation, where such possibility exists.  Control ***programmes*** aim to obtain or maintain the prevalence of an animal disease or zoonosis below a sanitary acceptable level. 3   [*http://ec.europa.eu/smart-regulation/roadmaps/index\_en.htm*](http://ec.europa.eu/smart-regulation/roadmaps/index_en.htm) 7  Surveillance ***programmes*** refer to activities to collect and record data on specific diseases in defined populations over a period of time, in order to assess the epidemiological evolution of the diseases and the ability to take targeted measures for control and eradication.  Plant health: o Emergency measures. o Survey ***programmes*** concerning presence of pests.  Official controls and other activities: o European Union Reference laboratories. o Training (Better training for Safer Food Initiative). The above-listed spending measures were firstly assessed using the set of 21 operational technical indicators previously developed and monitored at level, which were shared with the contractor at the very initial stages of the external study supporting the evaluation. The qualitative and quantitative description of those measures was complemented with the gathering of data, which was undertaken in a stepwise approach using the following sources:  Data sources of the Commission:  financial data (e.g budget implementation), technical data (e.g operational indicators); annual financial and technical reports covering animal and plant health, implementation of emergency measures by Member States, EURLs and BTSF.  indicators on e.g trade, animal population;  Literature review: studies, evaluations, conducted either independently or on behalf of the Commission on CFF-related topics;  Stakeholder consultation, consisting of: ▪ Open public consultation: questionnaire published in English during 12 weeks on the European Commission ‘Public consultations’ website that received 5 responses ▪ Targeted stakeholder consultation with specific questionnaires for: o Competent authorities, stakeholders linked to the industry (including farmers' organisations, veterinary organisations), EU and national associations, international organisations and NGOs. o EU Reference Laboratories o Better Training for Safer Food initiative ▪ In-depth stakeholder interviews: addressing representatives of the European Commission, and other selected stakeholders (Competent authorities, industry representatives, NGOs) in a number of Member States. The aim of the interviews was to identify achievements, good practices, problems and challenges regarding implementation of the CFF Regulation. The main purpose of the interviews was to fill information gaps and check information retrieved from other sources for triangulation.  Case studies: covering a significant selection of animal diseases and plant pests; based on the assessment of the results from the desk study and questionnaires, several stakeholders were identified to be interviewed for the case studies. All relevant stakeholders group were reached by the consultation procedure, and most individual stakeholder contacted cooperated in the exercise. 8 The final report of the external study supporting the evaluation provides an overview of the measures implemented over the three-year period 2014-2016. There are however a number of issues to consider when assessing the strengths of the evidence base used for this study, specifically linked to the limited time available to undertake the evaluation:  The mid-term evaluation exercise started in the second half of 2016, where complete technical and financial data were only available for the first two years of implementation of the CFF Regulation.  A number of transitory measures applied during both 2014 and 2015, while the provisions laid down in the CFF Regulation are fully applicable only from 2016.  The mid-term evaluation has considered the long-term impact of predecessor measures except in the phytosanitary area, notably for the survey ***programmes*** which were firstly implemented in the framework of the CFF Regulation. Moreover, no cost-effectiveness analysis has been developed so far in the CFF area. Whilst a methodological approach to conduct this kind of economic analysis was expected to be delivered in the context of the external study, the task was not investigated as requested. Therefore, a significant instrument to perform the evaluation is missing. These shortcomings have objectively limited the external analysis, which is mostly descriptive and largely based on the opinions of the stakeholders and on the perceptions of the beneficiaries of the CFF financial support. It does not include an in-depth investigation of the causal effects behind the results and impacts achieved by the implementation of the CFF Regulation. The overall evaluation exercise is nevertheless complemented by the internal assessment conducted at EU level, which largely relies on the continuous analysis performed at policy, technical and financial level by the Commission services, including the constant dialogue with all CFF beneficiaries for both scientific and budgetary aspects. The monitoring of the operational technical indicators' values was particularly useful in the context of this evaluation: even if they do not provide cost-effectiveness results, those indicators allow evaluating the achievements and/or the performance of the major activities implemented thanks to the EU funding in the areas covered by the CFF. 4. IMPLEMENTATION STATE OF PLAY The CFF has a maximum total ceiling for expenditure of EUR 1 891 936 0004 over the seven-year period 2014–2020. Table 2 below shows the amounts committed during the period under evaluation, which were substantially in line with the forecasted budget. For the concerned years, it was sufficient to cover the different needs, thanks to the good results achieved in the four spending areas; the positive trend mainly concerned the animal health field, especially eradication ***programmes***, where the successful implementation of long-term measures led to the progressive reduction of the related spending, and veterinary emergency measures, whose ad hoc system of early detection and ***intervention*** allowed to timely extinguish or contain the outbreaks occurred in the period under evaluation, therefore limiting the associated costs. 4 In current prices 9 Table 2. Commitments for 2014, 2015 and 2016 CFF activities The main direct beneficiaries of the EU financial contribution made under the CFF are the competent authorities in the Member States, which receive a compensation for the eligible costs incurred to carry out the eligible measures. Both the eligible measures and the eligible costs are listed in the CFF Regulation. The Union financial contribution mostly takes the form of grants (the only exception being the voluntary payments to international organizations), with a basic reimbursement of no more than 50% of the eligible costs; under specific conditions, the applicable rate can be increased to 75% or 100%. 4.1 Animal health The CFF Regulation contribution for animal health covers the implementation of veterinary ***programmes***, which are aimed to implement eradication, control or surveillance activities for animal diseases and zoonoses, and of veterinary emergency measures, carried out to timely intervene in the occurrence of outbreaks or epidemics affecting animals. The diseases eligible for EU financial contribution under veterinary emergency measures and ***programmes*** are listed, respectively, in Annex I and in Annex II to the CFF Regulation. The eligible costs (including, for example, the costs of animals slaughtering/culling and the vaccination costs) are also listed in specific articles of the Regulation. Annex III to the CFF Regulation lists the priorities for Union financial support as regards the orientation of veterinary ***programmes***: based on these priorities for funding, and on the annual evaluation of the epidemiological situation and of the most immediate risks identified, 10 out of the 25 diseases listed in Annex II to the CFF Regulation have been identified as priority diseases for the period 2014-20165. Payments for veterinary ***programmes*** alone make up almost three quarters of the expenditure under the EU food chain budget. For the 2014 and 2015 ***programmes***, it amounted to, respectively, EUR 136.22 and EUR 147.90 million. 5 African swine fever; avian influenza in poultry and wild birds; classical swine fever; rabies; bovine brucellosis; ovine and caprine brucellosis; transmissible spongiform encephalopathies; zoonotic Salmonella; bovine tuberculosis; bluetongue in endemic or high risk areas. 2014 2015 2016 Veterinary ***programmes*** and vaccines 172.356.231 164.017.000 161.553.100 Plant health survey ***programmes*** 205.500 7.585.000 11.375.400 Animal health and plant health emergency measures 12.662.896 16.111.611 27.376.398 EURLs 15.001.000 15.500.000 16.000.000 BTSF 14.885.000 14.685.000 15.365.000 Total 215.110.627 217.898.611 231.669.898 Forecast budget (in million euro) 253,4 258,5 261,0 10 Over the period considered, the ***programmes*** addressing five diseases, namely bovine tuberculosis, TSE/BSE/scrapie, rabies eradication, salmonella, and ovine & caprine brucellosis, represented between 84% and 90 % of the payments for veterinary ***programmes***. The MSs with the highest co-funding of animal health ***programmes*** are UK, Spain, Italy, Ireland and Poland. The amounts strongly depend on the type of disease addressed, on the specific measures co-financed and on the epidemiological situation in the Member States concerned. If the total spending for veterinary ***programmes*** is consistent, payments for animal health emergency measures are volatile, depending on the changes in the epidemiological situation over the years. For the measures implemented in 2014 and 2015, they amounted to, respectively, EUR 7.67 and EUR 11.76 million. During the period considered, about 50% of the budget has gone to emergency payments for avian influenza, followed by African swine fever (17%) and bluetongue surveillance (14%). 4.2 Plant health The CFF Regulation contribution for plant health covers the implementation of survey ***programmes***, which are aimed to support early detection of pests in the EU territory, and implement phytosanitary emergency measures in case of outbreaks. The list of pests eligible for EU co-financing under the survey ***programmes*** includes hundreds of harmful organisms, which are subject to an annual prioritisation. This list is not integrated in the CFF Regulation, but laid down in the specific plant health legislation. Survey ***programme*** were first established and co-financed in 2015, with 17 EU countries presenting a ***programme*** in 2015 and 22 in 2016. Payments for 2015 survey amounted to EUR 4.2 million, (payment for 2016 will be finalised by end of 2017). The implementation of phytosanitary emergency measures are instead developed for a limited number of pests which deserve a more targeted control strategy in order to prevent further spread and introduction into the rest of the Union territory. Among other pests, emergency measures have been developed so far for Xylella fastidiosa, Bursaphelenchus xylophilus (so called:'Pinewood nematode') Anoplophora chinensis and Anoplophora glabripennis, Pomacea, Epitrix spp., whose further spread into the Union territory can cause unacceptable social, environmental and economic consequences. The objective of eradication of plant pests remains a complex objective to achieve due to lack of effective treatment solutions, the high number of susceptible plant species, population dynamics and lifecycle of pests and their vectors present in forests, parks and plantations with high economic, social and environmental value. Very few experience has proven that eradication is possible only if decisive measures are put immediately in place. This was the case in two out of four outbreaks of Pinewood nematode in Spain, two outbreaks of Anoplophora chinensis in Denmark and in The Netherlands and two outbreaks of Anoplophora glabripennis in Germany and in The Netherlands. However, when the pest is considered to be established in a certain territory and eradication is no longer feasible, containment measures may still provide sufficient guarantees 11 to prevent further spread of the pests in the Union territory. In this respect, for example, the EU financial support has allowed to successfully containing Pinewood nematode in Portugal since 1999, minimising the risk of further spread to neighbouring Member States, while preserving the functioning of the internal market. Similarly to the animal health area, although very limited in scale, the amount paid in plant health for emergency measures varies substantially between years. For the measures implemented in 2014 and 2015, payments amounted to EUR 7.2 and EUR 0.9 million, respectively. In the period considered, as far as emergency measures are concerned, three pests alone, namely Bursaphelenchus xylophilus, Anoplophora glabripennis and Pomacea insularum, were responsible for almost all payments (91%) for plant health emergency measures. 4.3 Official controls The main spending measures carried out under the official controls area consist of the activities performed by the EU Reference laboratories, the implementation of the BTSF ***programme***. EU Reference Laboratories (EURLs) activities are financed at 100% by the EU food chain budget, and are aimed to ensure high-quality and uniform testing in the EU, and to provide trainings to hundreds of National Reference Laboratories (NRL) in a number of food safety priority areas. This ensures that the regulatory framework is applied in a consistent way as regards laboratory analysis and compliance testing used in the context of official control.. Annual payments for EURLs have been increasing over the last years, from EUR 14,01 million for 2014 activities to EUR 14,46 million for 2015 and EUR 16 million for 20166. The 'Better Training for Safer Food' initiative is also financed at 100% by the EU budget, and consists of a training ***programme*** aimed to prepare national staff from both EU Member States and third countries in all areas covered by the CFF Regulation. The BTSF training ***programme*** has covered, for the three years considered, 52 topics of key importance for the CFF areas, such as: foodborne outbreak investigations, African swine fever outbreaks management. This initiative has trained every year some 7000 officials of competent authorities involved in official controls, promoting a common approach towards the implementation of EU legislation. Annual expenditure for BTSF activities amounted to EUR 15 million for 2014 trainings and to EUR 14,5 million for 2015 trainings. 5. ANSWERS TO EVALUATION QUESTIONS The mid-term evaluation assessed the relevance, efficiency, effectiveness, coherence and EU added value of the CFF Regulation, answering to the twelve evaluation questions addressed in respect to these five evaluation criteria. 6 Provisional data 12 5.1 Relevance To measure the relevance, questions were asked about the extent to which the objectives of the CFF Regulation are still valid and in accordance with food chain needs in Europe, and on whether new relevant needs have emerged since the adoption of the Regulation itself. EQ1. To what extent are the CFF objectives still valid and in accordance with food chain needs in the EU?’ The specific objectives set out in the CFF Regulation are mostly valid, and the EU financial supports towards their achievement continue providing a response to the specific EU needs in this field. In the animal health area, the contribution to a higher animal health status remains the overarching goal, which is being attained through the implementation of both emergency measures and veterinary ***programmes***. Outbreaks of diseases having a high potential impact on human and animal health, as well as from the economic and social points of view, occur every year. As the number of outbreaks and their impact vary substantially between years, it is necessary to keep emergency funding at EU level, with financial resources specifically and immediately available to address crisis events, to ensure a rapid and comprehensive response in those cases. The CFF has also the facility to take action against new emerging diseases (such as LSD), therefore adapting to new needs. Veterinary ***programmes*** also remain a funding priority for the achievement of the relevant CFF objectives, especially eradication activities, in the light of the long-term impact of their implementation. Those ***programmes*** proved to be successful in most cases, and many of them, such as the ***programme*** addressing rabies, can be wound down in the near future due to complete eradication. As concerns plant health, the objective of the timely detection of pests and their eradication once they have entered the Union remains the key priority for the Union. However, very few experience has proved that eradication of plant pests is achievable and only in case effective measures are implemented at the very earliest stages of the outbreak (Eradication has been successful only in few cases: two out of four outbreaks of Pinewood nematode in Spain; two outbreaks of Anoplophora chinensis in Denmark and in The Netherlands; two outbreaks of Anoplophora glabripennis in Germany and in The Netherlands. Vice-versa, Member States have been able to successfully contain or minimise the risk of further the spread of some pests into the rest of the Union territory (e.g Pomacea in Spain, Pinewood nematode in Portugal). The contribution to the timely detection and to the implementation of strict emergency measures through EU funding is increasingly relevant, particularly when those activities are combined with surveillance ***programmes*** to check the presence of harmful organisms. The complementary activities carried out by the EURLs and in the context of the BTSF ***programme*** have been contributing to the effective implementation of and compliance with the Union rules in this area7. In fact, such activities - from the tests carried out by the laboratories to the trainings addressing national officials - have supported a uniform 7 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), pages 92-93 13 implementation of controls throughout the EU and to a common understanding across Member States of their obligations and how to best enforce relevant EU legislation.8 Their importance remains ***strategic*** within the overall food chain system, where a major objective is still the improvement of the effectiveness, efficiency and reliability of official controls. The validity

of the horizontal food safety objective is to be framed within the overall implementation of the CFF Regulation, considering that its achievement results from the combination of all sectorial measures financially supported by the CFF. Animal health, plant health, and official control activities all contribute to having a high level of safety of food and of food production systems, in the interest of all EU citizens. The safety of food requires safe and healthy animals, plants and a high-standard system of controls. The European ***agricultural*** productions are globally appreciated for their quality as well as for their high-level safety standards, making the EU agri-food industry the largest manufacturing sector in Europe and a leading player worldwide. In this context, the EU food safety budget plays an important role in supporting the specific measures contributing to achieve this objective9. EQ2. Are the needs identified at the time of the adoption of the CFF still relevant or have new needs emerged which necessitate an adjustment of the Regulation?’ The general food chain needs identified at the start of the CFF are still relevant, as they mainly consist of either long-term or permanent issues which have been successfully addressed thanks to the EU financial contribution. Being situated under the Commission's priority on security and citizenship, the CFF has to be seen within the context of protection of the EU's productions, its industry, as well as each single citizen. This need translates into the food safety policy, which is primarily aimed at protecting human, animal and plant health in the EU. Protection is a solid concept in this policy area: the principle 'prevention is better than cure' has been the leading thread since the launch of the EU animal health strategy (AHS), ten years ago, then embraced in the plant health area too. The strengthening of the protective approach is closely related to the continuous enhancement of the crisis preparedness system, which has been a pillar of the EU food safety system for a long time. It consists of a number of measures put in place in view of either avoiding or minimising the sanitary and economic impact of possible future crises, depending on the severity of the situation. The early detection is of fundamental importance especially in the case of certain animal diseases and plant pests which, once entered, may have a potential devastating effect on animal and crop/forests production and on public health. Thanks to early detection and to immediate application of EU co-funded emergency measures the EU has experienced no large-scale food safety crises for almost ten years, and all outbreaks have been successfully contained. Three year after the entry into force of the CFF Regulation, all the above mentioned needs remain fully relevant, and the EU financial ***intervention*** to ensure they are adequately covered has to be confirmed, in the interest of all European citizens. 8 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 113 9 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 96 14 Still, thematic priorities are discussed every year and adjusted to the epidemiological situation which is actually prevailing in the context of the annually approved Commission work ***programmes***: aspects such as the impact on human health, and the potential to generate serious economic consequences are taken into consideration. In this respect, the CFF has shown the flexibility to integrate these needs into the current arrangements, with no need to make adjustment in the general provisions laid down in the legal basis. Besides the prioritization of animal diseases and plant pests, new specific needs have emerged during the very last years, particularly related to the occurrence of new diseases or pests or to their unexpected development. The evolution of diseases such as Peste des Petits Ruminants, LSD and Sheep Pox diseases, for example, which were previously addresses by emergency measures only, has required a more structured support at EU level through the implementation of veterinary ***programmes***; the specific list of eligible diseases was integrated accordingly in 2016, and those ***programmes*** will be implemented in the Member States concerned from 2018. This new needs implied specific adjustments in the area of official controls too, where additional EURLs were created in 2016 for each of the three animal diseases mentioned above. The BTSF initiative has also proven flexibility to respond to new needs, notably during crisis events, when it has contributed to both prevention and crises-preparedness. A concrete example is the BTSF training organised in response to the African Swine Fever or to the plant bacterium Xylella fastidiosa emergency, as well as the training on foodborne outbreak investigations, which was organised during the three years considered and focused on subjects such as outbreak preparedness, outbreak management, and crisis communication, addressing national teams of public health, veterinary and phytosanitary experts and food safety authorities. 5.2 Effectiveness Effectiveness had questions on the extent to which the general and specific CFF objectives were achieved and on the impact of the CFF measures implemented. EQ5. “To which extent have the specific objectives been attained by the CFF? Which factors influenced the results achieved?” The implementation of veterinary measures represents the largest part of the expenditure under the CFF budget, with the veterinary ***programmes*** alone exceeding 75% of the total spending in the three years under evaluation. This budgetary relevance is also reflected in the fact that 12 out of the 21 technical indicators monitored in this context relate to this spending area.10 The chosen indicators focus on the priority animal diseases and zoonoses; they allow to monitor the geographical evolution of the EU areas which are free from specific animal diseases, and to measure technical parameters such as the prevalence, the incidence and the number of cases. The analysis of these indicators for the period 2014-2016 reveals a positive epidemiological trend for all priority diseases receiving EU financial support under the veterinary ***programmes***, with a growing number of Member States or regions becoming free 10 See Annex 4 15 from animal diseases, and an overall reduction in all monitored parameters. A good example is the increased number of Member States free from bovine brucellosis: at the end of 2016, two out of the five Member States having a EU co-funded ***programme*** during the period considered, became free of this diseases; in the remaining three Member States, the main performance indicator, monitoring the evolution of herd prevalence, has decreased by 25% over the same period, showing a very positive trend towards the complete eradication of the disease. Among the most remarkable successes, the eradication of several diseases in many Member States, as in the case of Bovine Spongiform Encephalopathy (BSE) in cattle, a disease transmissible to humans from the consumption of contaminated beef products. The long-term EU co-financed measures led to a drop in BSE cases from more than 2000 in 2001 to only 2 cases in 2016.11 The EU response to the BSE crises restored consumer confidence: beef consumption had dropped by up to 40% in late 2000, forcing prices steeply downward and requiring huge expenditure on market support measures at EU level.12 Another significant example is represented by the EU ***programmes*** addressing Rabies: this disease has been almost eradicated in the EU in wildlife (complete eradication is expected by 2020) and the number of cases has fallen from 80 in 2014 to only 18 in 201613, hugely reducing a significant risk to health and enabling free movement of cats and dogs within the EU. Considering a period longer than the evaluation timeframe, another success as well as the reduction of cases of human salmonellosis, dropped by 10% from 2010 to 2015 (latest available data). However, it should be noted that there are still some areas where the situation has not improved as expected, such as the cases of bovine tuberculosis (in 1 Member State out of the 5 with a EU co-funded ***programme***) and ovine and caprine brucellosis (in 1 Member State and in a few regions of another Member State out of 6 with EU co-funded ***programmes***). The implementation of emergency measures in the occurrence of veterinary disease outbreaks also plays a key role in achieving a higher animal health status in the EU, as well as to protect the EU economy from a serious and large-scale veterinary crisis. Thanks to early detection and to immediate application of EU co-funded emergency measures, all recent epidemics have been successfully contained, and major economic consequences - such as trade restrictions and the block of exports - have been avoided. A recent example is the fight against the epidemic of LSD. In 2016, this disease affected seven countries in the South East Europe, including Greece, Bulgaria and the Balkan region. All these countries resorted to mass vaccination with the support of a EU LSD vaccine bank, which was set up before the occurrence of the disease in the Union territory to be immediately used in case of emergency. This vaccination campaign resulted in the successful containment of the spread of the disease: no further Member States were affected, and the disease has not reoccurred in the vaccinated area. While the EU financial support for the implementation of plant health emergency measures has been provided for many years, the funding of plant health surveys ***programmes*** is still at an initial phase. Even if the EU Members States have welcomed their introduction through the 11 Data source: Annual technical reports provided by Member States 12 [*http://www.veterinaria.org/revistas/vetenfinf/bse/14Atkinson.html*](http://www.veterinaria.org/revistas/vetenfinf/bse/14Atkinson.html) 13 Data source: Annual technical reports provided by Member States 16 CFF Regulation, their evaluation remains complicated due to the extremely limited timeframe available and the absence of predecessor measures. To follow up the presence of pests into the Union territory and the results obtained as effect of the implementation of phytosanitary emergency measures, the Commission monitors the number of cases for a selection of priority pests, including some devastating plant bacterium such as the Xylella fastidiosa. The achievement of the eradication objective is more complicated than in the animal health area, as in most cases eradication of plant pests is not feasible, due to population dynamics and lifecycle of pests and their vectors present in forests, parks and plantations. However, in cases eradication is not considered a feasible option, a containment approach is still an effective approach in order to prevent further spread of the pest into the rest of the Union territory. This is the case, instead, for the Pinewood Nematode, detected in 1999 in Portugal, where EU financial support is in place to finally contain, since 2014, its further spread to neighbouring Member States.14 A similar situation concerns Xylella fastidiosa, which has affected the olives in a restricted part of an Italian region: in this case too, the implementation of a number of protective measures has led to the successful containment of this pest in a specific part of Apulia region.15 The EU financial support to the official controls system addresses two major instruments, and covers 100% of the eligible costs incurred: the testing activities carried out by the network of 43 EURLs, and the trainings provided in a number of food safety priority areas by both the EURLs, and in the context of the BTSF initiative. Four operational indicators have been developed to monitor their contribution to ensuring the effective implementation of and the compliance with the Union rules in the areas covered by the CFF. The EURLs have contributed, inter-alia, to the continuous update of diagnostic tools for the timely identification of pathogens. This is critical to uniform implementation of controls throughout the EU as it ensures confidence in the reliability of test results and a level competitive playing field. An average success rate of 85% by the participating laboratories in the proficiency tests performed by the EURLs network shows the successful application of testing methods of reference laboratories throughout the EU. Through continuous training, with an annual workshop organised by each EURL, National Reference Laboratories (NRLs) involved in the official controls system could upgrade their expertise. The average satisfaction rate of participants, as regards the training contents, was above 87%. The BTSF training initiative has covered, for the three years considered, 52 topics of key importance for the CFF areas. The ***programme*** was considered to be satisfactory by the participants, in both the EU Member States and in third countries, with a satisfaction rate above 90% for all years considered. Also the success rate of the tests performed by the participants after the training is very high, at about 88%. The trainings have provided support to a common understanding across Member States of their obligations and how best to enforce relevant EU legislation. The BTSF ***programme*** was considered the by Member State competent authorities to be helpful in responding to new needs, notably during crisis events, 14   [*http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02012D0535-20170310*](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02012D0535-20170310) 15   [*http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02015D0789-20160514*](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02015D0789-20160514)   [*https://ec.europa.eu/food/plant/plant\_health\_biosecurity/legislation/emergency\_measures/xylella-fastidiosa/latest-developments\_en*](https://ec.europa.eu/food/plant/plant_health_biosecurity/legislation/emergency_measures/xylella-fastidiosa/latest-developments_en) 17 when it contributed to both prevention and crises-preparedness.16 A concrete example is the BTSF training on foodborne outbreak investigations, which was organised during all three years considered and focused on subjects such as outbreak preparedness, outbreak management, and crisis communication, addressing national teams of public health, veterinary and food safety authorities.17 A particularly appreciated BTSF training on plant health was also organised for the plant bacterium Xylella fastidiosa together with EU Member States and Mediterranean non-EU Member States with the aim to transfer knowledge on prevention activities, early detection, management and control of outbreaks. The achievement of the food safety objective needs to be presented from an integrated perspective, being a horizontal goal resulting from the combination of all measures described above. Animal health, plant health, and official control activities all contribute to having a high level of safety of food and of food production systems, in the interest of all EU citizens. The safety of food requires safe and healthy animals, plants and a high-standard system of controls. There is therefore a direct and binding link with the achievement of a high level of animal health, plant health and official controls to meet this requirement. The main factors influencing the overall achievement of the CFF objectives relates to both financial and technical aspects. Budget limitations in some Members States, especially those struggling with economic crisis or other constraints, may limit or delay the implementation of measures necessary to contain the outbreak of a disease. Therefore, the EU financial contribution supports the EU crisis-management system in the event of an outbreak. The Union coordination also facilitates the process of prioritisation, which would be extremely difficult to address at individual Member States level. The key importance of the EU governance in the veterinary area is confirmed by a performance audit conducted by the Court of Auditors18, whose report was published in April 2016. The Report also acknowledged the good design and proper implementation of animal health ***programmes*** co-financed at EU level, highlighting that both the Commission and the Member States performed particularly well in this framework. A third major factor, which also complements the EU coordination in the CFF area, is the continuous and strict dialogue between the Commission and the Member States, from the design of the measures to their actual implementation. This cooperation takes place in institutional fora, like the Standing Committee on Plants, Animals, Food and Feed or ad hoc working groups, but also through the constant informal communication between the commission' services and the national competent authorities. A concrete example of the contribution of the three horizontal aspects mentioned above to the achievement of the CFF objectives is the EU crisis-preparedness and management system in the event of an outbreak. When a disease is suspected or confirmed, a number of prevention and control actions are immediately put in place under to address the emergency measures, including the temporary closing of borders and the regionalisation of the disease. For the covered diseases (namely Foot-and-Mouth disease (FMD), Classical Swine Fever (CSF) and 16 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 76 17 Better Training for safer Food Annual Reports 2014 and 2015 18   [*http://www.eca.europa.eu/Lists/ECADocuments/SR16\_06/SR\_ANIMAL\_DISEASES\_EN.pdf*](http://www.eca.europa.eu/Lists/ECADocuments/SR16_06/SR_ANIMAL_DISEASES_EN.pdf) 18 LSD), a EU vaccine bank is also available and accessible to all Member States, with an emergency stock of vaccines to be immediately used in the areas affected or at risk. The functioning of such ***intervention*** system requires a central level of management and coordination of activities between the Member States, complemented by a strict cooperation of those member States with the European Commission, but also the commitment of significant financial resources that would not be possible without the EU budget support. EQ6. What has been the impact achieved by EU financial support in terms of food safety, animal health, plant health and official controls? The CFF Regulation has provided financial support to the measures addressing the achievement of the specific objectives in this area, namely the overall improvement of the animal and plant health status in the EU, as well as of food safety and public health. As illustrated by the evolution of the technical aspects monitored through the operational indicators, as illustrated in the previous section, positive progress have been made in all areas covered by the CFF regulation, perfectly in line with the targets discussed by the Commission with the technical experts from the Member States19. The EU territory is today a safer place, where the prevention and protection system have proven to work properly and where the safety and quality of food respect the highest international standards. The human cases due to zoonotic diseases have been progressively reducing over the years, and both the frequency and the severity of animal, plant, and food crises have decreased. No large scale outbreaks have occurred for a decade, and all emergencies have been successfully contained and put under control. In the plant health areas, EU funded ***programmes*** on surveys have permitted the early detection of new pests on the Union territory, allowing to actively contain some pests to the original outbreak areas (e.g Pinewood nematode in Portugal) while minimising the risk of further spread into the Union territory. EQ7. To what extent has the setting of CFF thematic priorities for Union financial support contributed to the achievement of the specific objectives?” Annex III to the CFF Regulation lists a number of thematic priorities for the implementation of veterinary ***programmes*** and of phytosanitary survey ***programmes***. Those overarching priorities, including inter-alia the impact on human health and the potential to generate serious economic consequences, are discussed every year in the context of the preparation of the Commission work ***programmes***. In the light of the major risks identified and on the epidemiological situation which is actually prevailing, priority animal diseases and plant pests are identified accordingly. This system has proven to be flexible enough to respond to the main challenges and the more immediate risks for the EU. The list of animal diseases eligible for EU financial support, for example, has been integrated in order to address the emergence of new epidemiological needs (as in the cases of LSD) and the allocation of the available financial resources could be oriented towards the most significant priorities. The multi-annual 19 See Annex 4 19 Commission work ***programmes*** covering 2015 and 2016, identified 3 categories; Group 1, for example, listed the diseases having an impact on both human and animal health. Priorities have been revised in the context of the recently adopted work ***programme*** for the period 2018-2020, with 4 categories identified, and where Group 1 addresses the major impact on animal health and trade. This flexible system ensures that the specific objectives laid down in the CFF Regulation are pursued and that the specific measures implemented to achieve them comply with the more recent development and needs in this area. EQ8. To what extent has the implementation of measures co-financed under the CFF contributed to a positive impact on the functioning of the internal market and to the competitiveness of the agri-food industry at global level? According to the last EUROSTAT data, in 2015, the output of the whole agri-food industry in the EU is estimated at more than EUR 410 billion, representing the largest manufacturing sector in Europe and a leading player worldwide. Overall, this sector provides some 44 million jobs in the EU, of which 22 million people are employed in farms. The competitiveness of the European food productions depends on their reputation, with the EU food safety budget playing a crucial role in contributing to the safety and quality of European food products. All issues relating to food and to food production are actually a concern for each single EU citizen: all Europeans expect to eat quality food, ***produced*** with the highest safety standards and under ethical conditions. It is a matter of fact that healthy food comes from healthy animals and plants. All European consumers therefore expect the EU to protect them and their interests by guaranteeing adequate ***interventions*** and controls all along the food chain. In 2015, the EU financial contribution for all the food safety measures has amounted to some EUR 250 million, notably 0,06 % of the output value of the food industry. The size of the EU food safety budget is therefore limited compared to the scale of the economic sector concerned; this relatively low financial support for food safety provided under the CFF supported the EU legal food and feed framework, which ensures the functioning of the internal market leading to a positive impact on the competitiveness of the EU’s agri-food industry at international level. 5.3 Efficiency The efficiency section included questions on the relationship between resources employed and results achieved, taking into account the financial procedures in place, as well as their contribution to the simplification and rationalisation in the areas covered by the CFF. EQ9. To what extent has the relationship between resources employed and results achieved been efficient? Could the same results have been achieved with fewer resources? 20 The improvement of the animal health status is accompanied by a progressive reduction of the financial resources needed in the area, that in the specific case of veterinary ***programmes*** dropped by 11 million euro over the three-year period under evaluation. Less predictable is the spending for emergency measures, which varies from one year to the other as a consequence of factors difficult to anticipate and to control, including climate change and the globalisation of vectors, as well as the cyclical reoccurrence of some endemic diseases. The already-mentioned special report from the Court of Auditors20, published in April 2016, considers the Commission’s strategy for animal diseases to be sound and well-developed, including a good framework for prioritising budget resources on priority ***programmes***. According to its findings, the Member States performed well in managing the resources provided at EU level to co-fund the CFF measures. The implementation of the survey ***programmes*** aims to detect the presence of priority pests in the EU territory. In this view, an increment of the financial resources is needed and expected over the next years, supporting the objective to increase the coverage of the Union territory by those surveys by 2020. As in the case of veterinary emergency measures, the spending for phytosanitary emergency measures is variable and less predictable. Over the years 2014-2016, it mostly concerned four major pests only: the emergency measures addressing Pinewood nematode and Xylella fastidiosa, together with Anoplophora glabripennis and Pomacea insularum, were responsible for almost all payments (91%). For these emergencies, the EU has provided financial support to early detect new outbreaks and to prevent their further spread into the Union territory. The EURLs' activities and the BTSF initiative are financed at 100% by the EU, and each have an annual cost of about 15 million euro for the food safety budget. This limited cost has nevertheless allowed the EURLs to perform high-level testing activities and to train annually hundreds of NRLs, while in the context of the BTSF, some 6000 officials of national competent authorities involved in official controls were trained every year. These current funding arrangements, which fully cover the eligible costs, have proven to be a correct approach in motivating the Member States to carry out EU tasks. For all these measures, Table 2 illustrates that the amounts committed during the period under evaluation were substantially in line with the forecasted budget. The good results achieved in implementing the CFF budget show that the forecast budget for the concerned years was appropriate to cover the different needs. Still, it is very unlikely that the same results could have been achieved with fewer financial resources, for three main aspects already presented in the previous sections. Firstly, for the long-term nature of many CFF measures, namely eradication activities, which represent a very large share of the food safety budget: considering that the final targets are most of the time achieved after several years of implementation, the specific spending in these area needs to be confirmed during a long period of time without interruptions, both to ensure 20   [*http://www.eca.europa.eu/Lists/ECADocuments/SR16\_06/SR\_ANIMAL\_DISEASES\_EN.pdf*](http://www.eca.europa.eu/Lists/ECADocuments/SR16_06/SR_ANIMAL_DISEASES_EN.pdf) 21 continuity with past activities and to avoid jeopardising mid-term achievements.21 Over the three years considered, a considerable part of the CFF budget was invested in those kind of activities, for example for veterinary ***programmes*** addressing the eradication of Bovine Tuberculosis, or the surveillance of Avian Influenza. Secondly, the continuous emergence of new challenges affecting the safety of food, as well as the health of animal and plants, requires that the specific budget is both flexible and sound enough to guarantee that the changing needs in this area are addressed properly and timely.22 Third aspect, the fact that food crises, as well as outbreaks from animal diseases or plant pests are very difficult to anticipate, and tend to cyclically occur or re-occur affecting the EU territory. Those emergency situations might require significant financial resources, as proved by the past crises of FMD and swine fevers23. EQ10. Do the financial procedures in place ensure a swift and resource-saving decision-making process and thus a quick implementation of the ***interventions***? If there are shortcomings what are the reasons for this? Overall, there are no major limitations and shortcomings for an efficient resource-saving decision-making process and quick implementation, especially in emergency situations. When outbreaks of animal diseases or plant pests occur, the requested technical measures to eradicate or to contain them are implemented immediately, concurrently with the financial procedure, which do not interfere with an efficient decision making progress. Financial commitments are made quickly and also payments to the Member State are timely.24 EURLs can adapt quickly to urgent needs25, for example to provide technical assistance and diagnostic tools or vaccines. Representative from the ASF EURL provided urgent technical assistance to the Member States affected by the first outbreaks of ASF in 2014, in the framework of the Community Veterinary Emergency Team (CVET) tasks. Besides, the ASF EURL provided diagnostic tools to the neighbouring countries, to support them in the early detection of the disease. In relation to BTSF ***programmes***,26 quick adjustment of training subjects once awarded is quite difficult. However, the possibility to introduce additional training has been used, for example in the case of ASF when this became an urgent threat 2015-2016. EQ11. To what extent has the entry into force of the CFF, which merges all measures in one single regulation, contributed to the simplification and rationalisation of the Union co-financing in the food chain area? 21 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 15 22 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), pages 12-13, 21, 56, 63-68, 82, 148 23 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 59 24 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 117 25 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 127 26 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 127 22 The entry into force of the CFF Regulation provided with a modernised financial framework in the food chain area, introducing a number of adjustments aimed at simplifying and rationalising the pre-existing legislation. Particularly, the CFF Regulation:  adapted the food safety expenditure to the structure of the EU budget 2014-2020, where its budget lines are not part of the AGRI budget any longer, but belong to Heading III 'Security and citizenship';  simplified the previous legal framework, over-complex and often out-of-date, by replacing it with a single piece of legislation covering the whole food and feed area;  aligned the financial tools used in these spending area to the new Financial Regulation, especially by introducing some adjustments concerning Title VI, on grants;  harmonised the procedures in the phytosanitary and veterinary fields;  standardised the funding rates, providing only three reimbursement rates (50%, 75%, 100%) applicable under specific conditions, instead of the manifold and unclear funding rated used for predecessor measures;  clearly listed measures and costs eligible for EU co-financing;  introduced a more transparent division of responsibilities between the Commission and the Member States;  in its Annex III, lays down priorities for veterinary and phytosanitary ***programmes***, to be adjusted annually or multi-annually. The implementation of unit costs and ceilings in veterinary ***programmes*** is also an example of simplification and rationalisation of the system. It contributes to a lower administrative burden for the Commission as well as for the Member States, facilitating the requests for funding and for reimbursements. It currently covers about 50% of the eligible costs and a further revision of the system is ongoing, in view of extending it to other CFF spending measures. Current reporting requirements were in some cases considered disproportionate by some Member States, namely for smallest veterinary ***programmes*** and emergency measures. However, the principles of transparency and accountability require that a proper justification is given for the way public money is spent, even if the size of the budget concerned is limited. Therefore, some administrative constrains for managing financial files cannot be avoided, in the interest of all EU citizens. 5.4 Coherence Coherence was about the consistency of the EU spending for food and feed measures with the political priorities in the food safety area. EQ12. To what extent was the EU spending for food and feed measures consistent with the political priorities in the food safety area? The food safety political priorities are scattered across the sectorial legislation in each area covered by the CFF Regulation, and then confirmed in the CFF itself. In this context, the CFF Regulation acts as a very technical piece of legislation, where eligible measures and costs for each spending area are formally listed in specific sections. This bounds the possibility to 23 provide financial support to a range of measures which is quite substantial, but nevertheless clear and limited. Those measures are conceived to explicitly address the political priorities in the areas covered by the CFF, mostly as a result of the long-term experience of the EU spending in the food safety area. In addition, the CFF offers the possibility for providing financial support to additional non-listed measures, in exceptional and duly justified cases. To date, no request in this sense has come from any Member State, as a confirmation of a spending system which has proved to be fully consistent with the overall political priorities in this domain and to properly respond to the overarching food safety needs at both EU and national level. The absence of any pressure and not even any proposal towards the co-financing of additional measures also confirms the functioning of the complementarity of the CFF Regulation with other related EU ***programmes***, with no extra needs remaining unaddressed by the EU ***intervention***. An example of synergy between ***programmes*** covering complementary areas regards the primary ***agriculture***, and more specifically the interaction between the provision of the CFF Regulation and CAP Regulation in the event of an outbreak. While the CFF addresses eligible direct costs incurred to tackle animal diseases and plant pest, such as the compensation to owners, the costs of vaccination, and the slaughtering of animals or the culling of trees, the CAP has provisions to contribute to covering some indirect costs, such as market losses suffered by farmers. 5.5 EU added value In order to assess whether the EU financial support for food and feed measures added specific value compared to what would have resulted from Member States' ***intervention*** only, a comparative analysis was conducted. EQ3. To which extent has the EU financial support for food and feed measures added specific value to what would have resulted from Member State‘s ***intervention*** only? The achievement of a higher animal health status was possible thanks to both the technical and financial support provided by the EU to the Member States. On the one hand, budgets of Members States alone, especially of those struggling with economic crisis or other constraints, have difficulties to secure appropriate financial resources to respond to the combination of present and potential challenges. On the other hand, the variety of measures to put in place to tackle animal diseases requires a centralised management system in order to properly coordinate and organise the implementation of specific actions in the Member States. The EU crisis-management system in the event of an outbreak is an excellent example of the added value provided by the EU co-financing in this area. When a disease is suspected or confirmed, a number of prevention and control actions are immediately put in place under the emergency measures system, including the temporary closing of borders and the regionalisation of the disease. A good example of EU governance and coordination is the recent management at EU level of the African swine fever outbreak, which reached the EU from Russia in 2014. Since the very early stages of the epidemics - for which no vaccine is 24 available - the Commission have proactively promoted a common strategy amongst affected Member States, neighbouring third countries and bordering Member States at risk. In particular, the Commission has given technical and financial support, providing trainings and ad-hoc supporting material in order to enhance their diagnostic capabilities. This coordinated action resulted in the containment of the disease and has limited costs for both the EU and the national budgets. It has also avoided major trade disruption, both within the EU and with non-EU countries. For all ***programmes***, the EU co-funding adds value to the situation in which only national funding would apply. As in the case of animal health, the EU ***intervention*** also supports the management of plant health outbreaks, where the EU provides the financial contribution needed at Member State level to implement emergency measures. Moreover, the Union support facilitates the coordination of phytosanitary surveillance activities, ensuring their uniform implementation in all Member States. The EU added value provided by the EURLs activities and the BTSF ***programmes*** is linked to the nature of their activities: the network of laboratories ensures that all EU Member States work within a consistent and uniform regulatory framework and the EU training ***programme*** promotes a common approach towards the implementation of EU legislation. This contribution towards the harmonisation of rules at Union level and the sharing of knowledge and expertise in the food safety and related areas is a main example of positive interaction within the EU, which could not be achieved through isolated efforts at national level and without the EU financial support. EQ4. What would be the most likely consequence of stopping or withdrawing the EU co-financing of the measures covered by the CFF? The most likely consequence of withdrawing the CFF financial support would be that many measures would not be implemented any longer, especially in Member States experiencing budgetary restrictions27. Efforts made to ensure food safety, animal and plant health would therefore be reduced, putting at risk the current status as well as the past achievements in these areas. In the case of trans-boundary diseases and pests, even the continuation of the CFF activities in some Member State managing to confirm the financial resources in this area would be compromised. Due to the EU dimension of the activities carried out in the framework of the EURLs and of BTSF and of their objectives, those measures would cease completely should Union funding be stopped.28 On top of that, in the event of a food crisis, or of large-scale outbreaks from either animal diseases or plant pests, the economic impact on the national public budgets and on the economic sector concerned might be severe. Many studies have already addressed the topic of the costs of food crises in the EU, especially as concerns some animal diseases whose 27 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 88-89 28 Mid-term evaluation of Regulation (EU) No. 652/2014 (IBF International Consulting, 2017), page 92-93, 25 outbreaks have largely affected our productions over the last decades. FMD is an illustrative example of disease which might affect severely the agri-food sector and on the European economy as a whole. To give an idea of the scale of the economic impact of such disease, we can refer to a study focused on the outbreak occurred in UK in 2001 (Economic costs of the FMD outbreak in the United Kingdom in 2001 (Thompson, 2002)), according to which the overall costs on ***agricultural*** ***producers***, food industry, consumers and (national) public sector can be estimated at some £ 3,125 billion. For this crisis, the EU allocated about € 571 million to implement emergency measures in UK only. The ***intervention*** in the event of a new large-scale FMD outbreak would require the emergency vaccination of the animal population at risk. A massive vaccination campaign at an average current cost of €2.5 per dose (including vaccination costs) to be inoculated twice per year would need to be conducted; considering an official animal population of some 340 million heads (cattle, pigs, sheep and goat), the potential burden of this ***intervention*** (up to 1.7 billion euro) would severely threaten both the national budgets. In addition, a large number of animals might be slaughtered. Besides these direct costs, the impact on both trade and the internal market is to be taken into consideration. The block of exports and of the internal movements of food and live animals would hit the ***producers*** as well as the whole supply chain, endangering the existence of the largest manufacturing sector in Europe, mostly made of SMEs. Just to give some figures, according to the 2015 EUROSTAT data, the value of export of food and live animals touched 82 billion euro. As concerns intra-EU trade, 40 million animals (considering cattle, pigs, sheep and goats only) were traded within the EU in 2015. This possible scenario might cause the fallout of the sector or the definitive collapse of its weakest segments, representing a dramatic loss for the competitiveness of the EU agri-food productions and of the EU economy as a whole. 6. CONCLUSIONS Based on the analysis performed, it can be concluded that the CFF Regulation is functioning well in supporting the food and feed policy. Findings indicated that, to a great extent, the CFF objectives are relevant in addressing the needs within the food chain, ensuring a high status of human, animal and plant health, and therefore supporting the safety of the EU food products. The EU funding in this area supports the legal food and feed framework in protecting more than 500 million of European consumers and facilitating the functioning of agri-food supply chains. The competitive position of this sector is supported by high food safety standards, which contribute to a global perception of high quality European products. The CFF has been proven to be flexible to address new needs for co-financing, especially in the emergence or re-emergence of outbreaks from animal diseases such as Avian influenza, LSD, or emerging risks in plant health like Xylella phastidiosa. The majority of the activities covered by the CFF proved to be effective in achieving the CFF objectives, and showed progress in the technical operational indicators used to monitor the CFF measures implemented. The consultation showed a large appreciation of the EU financial contribution especially by the CFF direct beneficiaries, who consider both the financial and technical support provided under the CFF to be adequate and to effectively support the implementation of the food chain measures. 26 In relation to efficiency it can be concluded that the procedures in place allow for adequate prioritising of CFF the financial resources and Member States manage the resources well. Still, as previously explained, the absence of cost-effectiveness analysis in the CFF area limits the possibility to demonstrate the extent of the relationship between resources employed and results achieved. As recommended by the Court of Auditors in its previously mentioned performance audit - the Commission is working to develop a cost-effectiveness methodology to be implemented in this area, in order to make the efficiency analysis more robust. As acknowledged by the Court, this kind of analysis is difficult to determine, due to the current lack of available models and to the absence of specific economic indicators at international level. The possibility to develop such methodology, including a set of cost-effectiveness indicators covering all CFF spending areas, is currently being investigated by the Commission in view of the ex-post evaluation of the CFF Regulation, to be conducted by June 2022. EU spending for food and feed measures is considered to be largely coherent with the political priorities in the food safety area, and a positive assessment was also done on its complementarity with other related EU ***programmes***, especially the CAP Regulation. The CFF has been shown to clearly contribute to achieving and supporting EU added value. Member States benefit from the prioritised and targeted implementation of EU co-funded activities, especially for emergency, eradication, control and monitoring measures for animal diseases and plant pest throughout the Union. The financial solidarity that the CFF provides enables Member States to take required actions according to their interests. Otherwise these may have been beyond the financial and operational capacity of an individual Member State. The CFF enables harmonised and robust controls, which satisfy an important need with respect to an effective food safety policy. The findings from the desk study, relevant stakeholders in questionnaires, interviews, and case studies, confirm that the measures co-financed by the CFF strongly contribute to creating EU added value. The added value goes beyond what individual Member States could achieve by implementing national measures without EU support. Overall, all activities receiving EU financial support in this area have proven to serve the CFF Regulation general and specific objectives, namely the improvement of human, animal and plant health, as well as the overall Commission’s priorities, including the functioning of an effective internal market and the support to trade with non-EU countries. In recent years substantial progress has been made on most of the 21 operational indicators used to monitor the progress and measure the outcome of the CFF implementation. The EU framework on food safety, animal and plant health has been recognised as uniform and consistent in its application and enforcement in all the Member States. This ensures in turn that both citizens and businesses are confident that this framework is fair and effective in promoting high safety standards in a key sector of the EU economy. The EU investment in surveillance, disease and pest control and eradication, provides the infrastructure on which the safety and trade in the entire food chain is based. The activities funded under the CFF Regulation contribute to an EU which is safe and secure, prosperous and sustainable, social, and stronger on the global scene. 27 ANNEX 1 – PROCEDURAL INFORMATION The evaluation was led by Directorate-General for Health and Food safety (DG SANTE). It is included in the Agenda ***Planning*** with the reference 2016/SANTE/142. The evaluation was supported by an external and independent evaluator, under a service contract. The service contract has been implemented via a Framework Contract in accordance to the Financial Rules Applicable to the General Budget of the Union29 and its Rules of Application30. The evaluation Roadmap was adopted in July 201631. An Inter-service Steering Group (ISG) including staff from DG SANTE, from the Secretariat-General (SG) and from the Directorates-General for Budget (BUDG), for ***Agriculture*** and Rural Development (AGRI), and for Maritime Affairs and Fisheries (MARE), was established in April 2016. The ISG met in 5 occasions: to prepare the Roadmap (April 2016), to have a kick-off discussion with the external evaluator in October 2015, to discuss the Inception Report in November 2016, to discuss the interim report in February 2017, to discuss the draft final report in May 2017. Extensive correspondence between the Steering Committee members was held in between the meetings to follow-up on the evaluation. The final report was submitted in June 2017. The evaluation was not submitted to the Regulatory Scrutiny Board. The evidence base used to conduct the mid-term evaluation of the CFF Regulation included: - Technical and financial reports prepared and submitted by the CFF beneficiaries on the implementation of the CFF measures. - The consultation of some 170 stakeholders directly and indirectly involved in the implementation of CFF. - 12 cases studies. - A literature review of studies, reports, evaluations, audits and other documents relevant in the context of the CFF evaluation. Together, the above evidence base provides the evaluation with a valid and rounded set of data covering the main aspects of the CFF evaluation including efficiency, effectiveness, relevance, coherence and added value. 29   [*http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02012R0966-20160101&from=EN*](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02012R0966-20160101&from=EN) 30   [*http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02012R1268-20160101&from=EN*](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02012R1268-20160101&from=EN) 31   [*http://ec.europa.eu/smart-regulation/roadmaps/docs/2016\_sante\_142\_evaluation\_cff\_en.pdf*](http://ec.europa.eu/smart-regulation/roadmaps/docs/2016_sante_142_evaluation_cff_en.pdf) 28 ANNEX 2 – STAKEHOLDERS' CONSULTATION Three methods of stakeholder consultation have been employed for the evaluation: 1. Open public consultation 2. Targeted stakeholder consultation with specific questionnaires 3. Targeted stakeholder interviews Each of these is described in the following sections. - Open public consultation An open public consultation of all interested parties was conducted using the European Commission ‘Public consultations’ website (replacing the ‘Your Voice in Europe’ website) and the DG SANTE ‘Consultations and feedback’ web page. The consultation took place from 16 December 2016 until 17 March 2017. A consultation questionnaire was prepared in English, discussed and agreed with DG SANTE and published on the Commission website. After the twelve-week consultation, five replies were submitted on this. - Targeted stakeholder consultation Targeted questionnaire surveys have been used to acquire specific information from particular target groups. The stakeholders were identified by the stakeholder mapping exercise. Targeted questionnaires in English have been developed for the following groups: 1. Competent authorities (CAs) in Member States, stakeholders linked to the industry (including farmers organisations, veterinary organisations), EU and national associations, international organisations and NGOs. 2. EURL stakeholders 3. Better Training for Safer Food stakeholders The questionnaires were limited in the number of questions and restricted in allowing open responses. As far as possible, the focus was on closed questions, numbering and ranges. Some open questions were used to provide specific comments that cannot easily be captured by closed questions. Open questions were also aimed at gaining insight (i.e explanations, motivations) on why respondents provided certain answers to specific closed questions. In some cases, respondents were asked to support their answers by providing evidence (there was also a possibility to upload documents as evidence). The questionnaires include an introduction describing the subject and providing information on matters such as transparency and confidentiality (EU Transparency Initiative, including the option to register in the Transparency Register), protection of personal data and links to relevant reference documents. 29 The questionnaire for group 1 had a function that presented selected questions to individual respondents on the basis of their role, involvement and expertise. Respondents were asked to identify their individual characteristics and the questions were filtered accordingly. This enabled the use of a general questionnaire for a range of different respondents. In order to assess the extent to which the CFF has succeeded in achieving its objectives, statements were posed that needed to be answered on a 4-point or 5-point judgement scale. The targeted respondents received a personalised email, including a link to the online questionnaire and an introduction describing the background and the importance of the evaluation. A Letter of Recommendation provided by DG SANTE was attached to the email. Two reminders were sent. The deadline for submission was extended by three weeks beyond the ***planned*** schedule. Table 4 shows the number of invited respondents, the number of responses and the response rate. Overall, a high average response of 78 % was realised for the invited stakeholder questionnaires, while there were only five responses to the open consultation. Table 4. Number of respondents approached to complete questionnaires and response rates Respondents Open consultation Targeted online questionnaires CAs and stakeholders EURLs BTSF Number approached Public, open to all 81 45 87 Number of responses 5 58 34 + 6\* 69 Response rate Not applicable 72 % 88 % 79 % \* The six EURLs with responsibilities regarding food and feed safety were approached and all responded - Targeted stakeholder interviews On the basis of the literature review and the on-line survey, topics were selected for interviews with representatives of the European Commission (DG SANTE and DG AGRI), and with selected stakeholders (competent authorities, industry representatives, targeted NGOs) in a number of Member States. In-depth interviews were carried out by team members using an interview guide to facilitate uniformity in the way questions are addressed and are answered (avoiding interviewer bias). The aim of the interviews was to identify achievements, good practices, problems and 30 challenges regarding implementation of the CFF Regulation. The main purpose of the interviews was to fill information gaps that remained after the other stakeholder consultations. Interview notes were sent to the interviewee for conformation. Based on the assessment of the results from the questionnaires, ten stakeholders were identified for interview. Table 5 provides a list of stakeholders who were interviewed, including a short motivation and example of questions expressing the key interest for information from the interviewees. Complete information is available in Appendix D to the external evaluation study supporting the Mid-term evaluation of Regulation (EU) No. 652/2014. Table 5. List of main stakeholders interviewed Stakeholders Reasons Main issues UK (CVO & CPHO) Key Member States have not answered the questionnaire Total questionnaire by phone; Unit costs and ceilings; Administrative burden European Professional Beekeeping Association A negative reaction to CFF in questionnaire What doesn’t function well? Why? How to solve? Greece Competent Authority A positive reaction to CFF in questionnaire Why does it function well? What can we learn? Unit costs and ceilings; Administrative burden DG SANTE CFF Regulation Choice process with respect to priorities; Interaction with Member States (bargaining, steering); Strengths and weaknesses; Cost-effectiveness evaluation; Unit costs and ceilings; Administrative burden; Options for improvement; 31 NPPO, the Netherlands EU added value Why no added value in your opinion? How can this be changed? Copa Cogeca, Important stakeholder Discussion about the letter sent instead of the questionnaire; Functioning of single market; Plant health issues Plant health and small ***programmes*** Administrative burden Possible solutions DG AGRI Economic impacts, animal and plant health complementary regulation Proper functioning of the market; Competitiveness (static and dynamic impacts); Coherence with CAP; Indicators and input/output ratios Coherence (more in-depth); Check if the identified incoherence are correct; Co-operation between DG AGRI & DG SANTE on animal and plant health 32 ANNEX 3 – METHODOLOGY APPLIED The methodology used for the mid-term evaluation of the CFF Regulation follows the Commission’s Better Regulation Guidelines32 and accompanying Toolbox33. To answer the evaluation questions, a comprehensive set of data covering all CFF spending areas was used as evidence base. For data collection, the following methods were used: 1. Desk research 2. Stakeholder consultation to collect information and opinions from different stakeholders (data collected by questionnaires and telephone interviews) 3. Case studies to collect evidence and experience on targeted thematic areas Desk Research was undertaken using reports available at the start and by literature research of scientific publications supplemented with data sources of the Commission, (e.g budget expenditure, operational indicators, trade data, animal data). In addition, the desk research included annual financial and technical reports covering animal and plant health, implementation of emergency measures by Member States, EURLs and BTSF, and websites. Reports/evaluations/studies, working documents, data on operational technical indicators and financial data were made available to the external contractor. Audit and inspection reports from the DG SANTE Directorate in charge of Health and Food Audits and Analysis, and from the European Food Safety Authority (EFSA) were used, as well as documents on food chain funding, country submissions, the Standing Committee on Plants, Animals, Food and Feed (PAFF), and task force presentations and reports. Gathering and assessing information from stakeholders was an important part of the research. The aim is to identify, select and weigh the results obtained from different stakeholders in a systematic way. For this purpose stakeholder mapping was used. Twelve case studies were undertaken covering the following co-financed measures: - for food safety: veterinary ***programmes*** for salmonellosis and bovine brucellosis; - for animal health: veterinary ***programmes*** for bovine tuberculosis, bovine brucellosis, ovine and caprine brucellosis, rabies, and BSE; - for animal health: emergency measures for highly pathogenic avian influenza; - for plant health: surveys concerning pests not known to occur in the Union territory and pests considered to be the most dangerous – for citrus tristeza virus and Bursaphelenchus xylophilus; 32   [*http://ec.europa.eu/smart-regulation/guidelines/toc\_guide\_en.htm*](http://ec.europa.eu/smart-regulation/guidelines/toc_guide_en.htm) 33   [*http://ec.europa.eu/smart-regulation/guidelines/toc\_tool\_en.htm*](http://ec.europa.eu/smart-regulation/guidelines/toc_tool_en.htm) 33 - for plant health: emergency measures for Anoplophora glabripennis; - for official controls: EURL activities for salmonella, mycotoxins, GMOs and pesticides; Better Training for Safer Food (BTSF) initiative. The case studies covered the evaluation period (2014-2016) and were evaluated against the operational technical indicators (see Annex IV to the present SWD) and the identified evaluation criteria (relevance, European added value, effectiveness, efficiency and coherence). Each case study was carried out in two ways: a general description of co-funding and analysis in the EU, and an in-depth description and analysis of the implementation of the case in two Member States. The in-depth analysis included interviews with designated stakeholders. At least two interviews were ***planned*** for each case study. For food safety and animal health case studies, technical information has been sourced from the EU plenary task force and the sub-groups that provide tailored technical assistance to Member States. This includes reviews of reports and meeting minutes, and interviews with members of the plenary committee or sub-groups. For plant health and official controls (EURLs and BTSF), the Official Controls Expert Group was consulted as it has a dialogue between Member State competent authorities and the Commission. The criteria applied for selecting the case studies were that they: - cover co-funded activities for the years 2014, 2015 and 2016 (when applicable); - are co-funded in multiple Member States; - include Member States with high financial awards; - have a geographical spread over the EU; - contribute information related to the overall evaluation criteria; - may have experienced recognised implementation issues; - may have strong political or public/industry interest. The analysis of the case studies involved a similar approach as was chosen for the other parts of the study. It involved the following steps: - Desk study - Stakeholder consultation - Analysis 34 35 ANNEX 4 – TECHNICAL OPERATIONAL INDICATORS AND THEIR TARGET VALUES FOR 2017 AND 2020 Operational technical indicator Baseline 2013 Last available data\* Intermediate Target 2017 Final Target 2020 Food safety measures 1.1 Reduction in the number of confirmed cases of salmonellosis in humans in Member States where a EU ***programme*** is co-funded 82921 human cases 94625 human cases (year 2015) -2 % per year -2 % per year 1.2 Reduction in the number of confirmed cases of brucellosis in humans in Member States where a EU ***programme*** is co-funded 425 human cases 437 human cases (year 2015) -2 % per year -2 % per year Animal health measures 2.1 Increase in the number of Member States which are free from bovine tuberculosis in respect of which a financial contribution is granted IT, PT, UK partly free HR, IE, ES not free HR free IT, PT, UK partly free IE, ES not free (year 2016) HR free IT, PT, UK partly free IE, ES not free HR, PT free IT, ES, UK partly free IE not free 2.2 Increase in the number of Member States which are free from bovine brucellosis in respect of which a financial contribution is IT, PT, ES,UK ,HR, not free HR, UK free IT, PT, ES partially free (year 2016) HR, ES, UK free IT, PT partly free HR, IT, PT ES, UK free 36 Operational technical indicator Baseline 2013 Last available data\* Intermediate Target 2017 Final Target 2020 granted 2.3 Increase in the number of Member States which are free from ovine and caprine brucellosis in respect of which a financial contribution is granted IT, PT, ES partially free HR, EL not free HR free IT, PT, ES partially free , EL not free (year 2016) HR, ES free IT, PT, partly free EL not free HR, ES, IT, free PT partly free EL not free 2.4 Increase in the number of Member States which are free from rabies in respect of which a financial contribution is granted AT, BG, EE, FI, IT, LV, LT free HR, EL, HU, PL, RO, SK, SL not free AT, BG, EE, FI, EL, HR, IT, LV, LT, SK, SL free HU, PL, RO, not free (year 2016) AT, BG, HR, EE, FI, EL, HU, IT, LV, LT,SL, SK free; PL, RO not free AT, BG, HR, EE, FI, EL, HU, IT, LV, LT,SL, SK PL, RO free 2.5 Reduction of disease parameters in bovine tuberculosis in Member States where a Union co-financing is granted: • Reduction of herd incidence • Reduction of herd prevalence Incidence: HR: 0.14; IE 3.88; IT: 0.84; PT: 0.28; ES: 0.91; UK: 9.12 Prevalence: HR: 0.16; IR: 4.07; IT: 0.97; PT: 0.35; ES: 1.39; UK: 14.49 Incidence: HR free; IE 3.27; IT: 0.61; PT: 0.19; ES: 1.59; UK: 9.12 Prevalence: HR free; IE: 3.59; IT: 0.86; PT: 0.28; ES: 2.87; UK: 14.27 (year 2016) Incidence: HR free; IE 2.91; IT 0.54, PT 0.20; ES 0.95; UK 6.90 Prevalence: HR free; IE 3.04; IT 0.65, PT 0.27; ES 1.55; UK 10.64 Incidence: HR, PT free; IE, IT, ES, UK not defined Prevalence: HR, PT free; IE, IT, ES, UK not defined 2.6 Reduction of disease parameters in bovine brucellosis in Incidence: HR: 0; ES: 0.06; UK: Incidence: HR, UK: free; ES: 0.022; IT: Incidence: HR, ES, UK Incidence: HR, IT, PT, 37 Operational technical indicator Baseline 2013 Last available data\* Intermediate Target 2017 Final Target 2020 Member States where a Union co-financing is granted: • Reduction of herd incidence • Reduction of herd prevalence 0.13; IT: 1.38; PT: 0.22 Prevalence: HR: 0; ES: 0.08; UK: 0.14; IT: 1.62; PT: 0.27 1.336; PT: 0.175 Prevalence: HR, UK: free; ES: 0.025; IT: 1.646; PT: 0.215 (year 2016) free; IT 0.92, PT 0.18; Prevalence: HR, ES, UK free; IT 1.16, PT 0.21 ES, UK free Prevalence: HR, IT, PT, ES, UK free 2.7 Reduction of disease parameters in ovine and caprine brucellosis in Member States where a Union co-financing is granted: • Reduction of herd incidence • Reduction of herd prevalence Incidence: HR: N/A; 0; EL: 0.2; IT: 1.07; PT: 0.8; ES: 0.1 Prevalence: HR: N/A; CY: 0; EL: 1.41; IT: 1.5; PT: 1.1; ES: 0.17 Incidence: HR: free EL: 0.25; IT: 0.842; PT: 0.462; ES: 0.063 Prevalence: EL: 1.72; IT: 1.206; PT: 0.573; ES: 0.085 (year 2016) Incidence: HR, ES free; EL 0.275; IT 0.48; PT 0.41; Prevalence: HR, ES free; EL 0.61; IT 0.61; PT 0.62; Incidence: HR, ES IT, free; EL, ES, PT not defined Prevalence: HR, ES, IT, free; EL, ES, PT not defined 2.8 Reduction in the number of cases of rabies in wildlife in Member States where a Union co-financing is granted 587 cases 18 cases (2016 data) 80 cases 0 cases 2.9 Reduction in the number of classical BSE cases in Member States where a Union co-financing is granted 7 cases 5 cases (2016 data) < 3 cases 0 cases 38 Operational technical indicator Baseline 2013 Last available data\* Intermediate Target 2017 Final Target 2020 Plant health measures 3.1 Increase in the number of Member States covered by surveys for pests not known to occur in the Union territory (Category A according to the work ***programme*** for 2017-2018 for the implementation of survey ***programmes*** for pests) N/A 78.57% (year 2016) No intermediate target 80 % 3.2 Increase in the number of Member States covered by surveys for pests considered to be most dangerous for the Union territory (Category B according to the work ***programme*** for 2017-2018 for the implementation of survey ***programmes*** for pests) N/A 75% (year 2016) No intermediate target 80 % 3.3 Reduction in the number of outbreaks for pests covered by specific EU legislation 27 cases (2014 baseline) 18 cases No intermediate target 22 cases BTSF activities 4.1 Success rate of the tests performed by the participants after the training - from N/A 85% >70 % >70 % 39 Operational technical indicator Baseline 2013 Last available data\* Intermediate Target 2017 Final Target 2020 2014: e-learning tool; from 2016: all trainings 4.2 Overall satisfaction rate of participants attending the training 90.17 % 90.66% >80 % >80 % EURL activities 5.1 Success rate of proficiency test, including the correct follow-up in cases of underperformance N/A 85.366% No intermediate target >70 % 5.2 Satisfaction rate of participants attending the annual workshop (focus on contents only) N/A 87.442% No intermediate target >80 % \* 2016 data are provisional

**Load-Date:** November 22, 2017

**End of Document**



[***mCig definitive joint venture with FarmOn Foundation at Empire Farm, growing Organic Industrial Hemp in New York State***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R2V-5381-JD3Y-Y0JM-00000-00&context=1516831)

M2 PressWIRE

November 30, 2017 Thursday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 1660 words

**Body**

November 30, 2017

Las Vegas, NV - mCig, Inc. (OTCMKTS:MCIG), a diversified company servicing the legal cannabis markets, announced today that the company has entered into a definitive Joint Venture agreement with FarmOn! Foundation at Empire Farm in Copake New York. Together the partnership has formed NYAcres, Inc., a corporation 80% owned by mCig, Inc, focused on hemp propagation, production, research, and distribution of organic industrial hemp and hemp by-products.

The company is pleased to announce that cultivation process will start crop ***planning*** immediately on the initial harvest of 40 acres, allowing for a second harvest in late fall. The ***program*** will expand each year over 3 years, scaling up to 120 acres of organic industrial hemp bi-annually.

Uniquely located on the corner of three states, New York, Massachusetts and Connecticut. Empire Farm is a certified organic 220-acre working farm, home to the FarmOn! Foundation, founded in 1830 and built by the Astor family. Nestled in an ***agricultural*** community in the heart of the Columbia County, the FarmOn! Academy is in partnership with SUNY and Cornell College of ***Agriculture*** and Life Sciences, providing young adults the opportunity to learn ***agriculture*** on an established working farm. Now home to NY Acres, Inc., the farm also offers 3 four-season heated hi-tunnel greenhouses lending its rich 'black gold' soil, suitable for hemp cultivation.

FarmOn! Foundation includes a strong collaboration of professional farmers, educators, influencers, supporters, nutritionists, students, and community leaders who believe in investing in the future of local ***agriculture*** by helping to rebuild local economies, enabling them to be resilient with sustainable ***agriculture***. FarmOn! Foundation partners include SUNY, Cornell University, Google NYC Farm to Table Project, John Varvatos, TasteNY, Bronx Zoo, NYS Department of ***Agriculture*** & Markets, New World Foundation/Local Economies Project, Bloomberg Philanthropies, Christy & John Mack Foundation, Hudson Valley Fresh, Maple Hill Creamery, Yelp, Whole Foods Market, Modern Farmer, NBA, The Walt Disney Company, MLB at Yankees SI, Applegate, Edible Schoolyard Project and LetsMove.org

Industrial hemp is projected to increase 700% by 2020. New York State has focused on the economic development and expansion of Industrial Hemp Research Permits under Governor Andrew Cuomo, giving mid-size farms the opportunity to implement sustainability and organic practices to promote efficiency and profitability. The partnership between mCig and FarmOn! Foundation brings a significant, mutually beneficial opportunity, investing in infrastructure to help rebuild rural American farming.

"The opportunity between mCig and FarmOn! Foundation fosters innovative, profitable and sustainable farming. We look to industrial hemp as an economic driver in the great state of New York, with the leadership of Governor Cuomo supporting its ***agricultural*** community, having a vision to rebuild for sustainability and rural prosperity through research and investment.", said Paul Rosenberg, CEO of mCig.

The Chairwoman of FarmOn! Foundation and CEO of NYAcres, Inc., Tessa Edick, brings decades of ***agricultural*** and business experience, ***strategic*** partners and a wealth of knowledge in food and ***agricultural*** cultivation to the joint venture. Tessa Edick is connected to a lifetime of practical farming, is an established author, school food activist, food entrepreneur, founder and executive director of the FarmOn! Foundation, a 501

In 2016, Edick was appointed by Governor Andrew Cuomo to the Task force on Safe and Healthy Foods to develop NY Grown & Certified brands, and in 2015 appointed by executive order to the New York State Council on Food Policy and the Advisory Board for Edible Schoolyard by mentor Alice Waters. Edick was featured in the Oprah Magazine "O" list twice, as well as 16 SFT Sofi Awards (the Oscars of food). Edick also founded the Culinary Partnership, where her guidance helps both celebrity chefs and ***producers*** launch their recipes to retail shelves. In 2010, Edick started Friends of the Farmer Festival in the Hudson Valley and established the FarmOn! Foundation, as the benefactor, committed to raising awareness and respect for farmers, the real stars in food, while educating the public on the importance of honest food-choices and better school lunches, contracting dairy farms in the districts to supply school milk. FarmOn! Foundation offers ***programs*** for adults and youth, including a SUNY accredited Farm Academy, the theme of which is fostering the entrepreneurial spirit in ***agriculture***, thereby supporting the local growing community in the process. In 2014, through a generous contribution from the Christy & John Mack Foundation, Farm On! Foundation found its home at Empire Farm.

"The oldest honorable profession,farming, needs to be re-established for our health; for our children; and for the economy of our local communities. Only when the costs of trucking, storage and distribution is redirected to the local Farmer, will farming once again become a profitable business...and attract future generations of farmers" says Tessa Edick, CEO of NY Acres.

"Edick's FarmOn! movement, has cultivated and nurtured a broad network of supporters, partners and beneficiaries within New York State as a pilot ***program*** that is being scaled and implemented nationally with Google, NYC Farm to Table Project.", says Mike Hawkins, CFO of mCig.

About the FarmOn! Foundation:

FarmOn! Foundation is a 501

MISSION: Inspiring, educating and preparing youth for successful careers in sustainable farming.

VISION: A world where a career in sustainable ***agriculture*** is valued and profitable.

About MCIG Group (OTCQB:MCIG)

Headquartered in Henderson, Nevada, mCig, Inc. ( OTCQB : MCIG ) is a diversified company servicing the legal cannabis, hemp and CBD markets via its lifestyle brands. mCig, Inc. is committed to being the leading distributor of technology, products, and services to fit the needs of a rapidly expanding industry. mCig, Inc. has transitioned from a vaporizer manufacturer to industry leading large scale, full service cannabis cultivation construction company with its Grow Contractors division currently operating in the rapidly expanding Nevada market.

mCig, Inc. also employs a world renowned technology team and has recently entered the tech space to satisfy its evolving role in technology and in keeping its growing following up to speed.

The company looks forward to growing its core competencies to service the ancillary legal Cannabis, Hemp and CBD markets, with broader expansion to take place once federal laws change. With over seventy five years of experience combined between the key players that make up the Cannabis Grow Contractors Division, mCig Inc. is proud to work with Cannabis Industry leaders and provide broad and rounded solutions for legal growers nationwide.

For more information visit:

More about FarmOn! Foundation visit: [*www.farmon.org*](http://www.farmon.org)

For more information about mCIG visit:   [*www.mciggroup.com*](http://www.mciggroup.com)

Safe Harbour

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties. The factors that could cause actual future results to differ materially from current expectations include, but are not limited to, risks and uncertainties relating to the Company's ability to develop, market and sell products based on its technology; the expected benefits and efficacy of the Company's products and technology; the availability of substantial additional funding for the Company to continue its operations and to conduct research and development, and future product commercialization; and the Company's business, research, product development, regulatory approval, marketing and distribution ***plans*** and strategies.

This release contains a non-GAAP disclosure, EBIDTA, which consists of net income plus interest expense, net, provision for income taxes and depreciation and amortization. This term, as the Company defines it, may not be comparable to a similarly titled measure used by other companies and is not a measure of performance presented in accordance with GAAP. The Company uses EBIDTA as a measure of operating performance. EBIDTA should not be considered as a substitute for net income.

For more information visit our websites:

More about FarmOn! Foundation visit:   [*www.farmon.org*](http://www.farmon.org)

For more information about mCIG visit:   [*www.mciggroup.com*](http://www.mciggroup.com)

For more information about Grow Contractors visit:   [*www.growcontractors.com*](http://www.growcontractors.com)

For more information about Hemp & Cannabis Advertising Network visit:   [*www.eHesive.com*](http://www.eHesive.com)

For more information about email campaigns, lead gen and blasting visit:   [*www.marketaro.com*](http://www.marketaro.com)

The cannabis super merchant site for latest in CBD, packaging and more:   [*www.420Tienda.com*](http://www.420Tienda.com)

Download 420Cloud on iTunes or Google Play and make a connection at:   [*www.420cloud.com*](http://www.420cloud.com)

More information about Marijuana Packaging & Supplies worldwide:   [*www.420SupplyChain.com*](http://www.420SupplyChain.com)

More information about Cannabiz Packaging and Supply in California:   [*www.cannabiz.supply*](http://www.cannabiz.supply)

For more information about Cannabiz Supply in Nevada visit:   [*www.cannabizsupply.com*](http://www.cannabizsupply.com)

Latest jobs in the cannabis industry visit 420Jobsearch at:   [*www.420jobsearch.com*](http://www.420jobsearch.com)

For the marijuana recipes and cooking tips visit:   [*www.mj.recipes*](http://www.mj.recipes)

For more information about VitaCIG visit:   [*www.vitaciggroup.com*](http://www.vitaciggroup.com)

For more information about VitaCBD visit:   [*www.vitacbd.com*](http://www.vitacbd.com)

For the latest cannabis news visit:   [*www.weedistry.com*](http://www.weedistry.com)

Follow us on Instagram @   [*https://www.instagram.com/mciginc*](https://www.instagram.com/mciginc)/

Visit us on Facebook @   [*https://www.facebook.com/mCigInc*](https://www.facebook.com/mCigInc)/

Follow us on Twitter @   [*https://twitter.com/mcigInc*](https://twitter.com/mcigInc)

Media Contact

Company Name: MCIG

Contact Person: Alex Mardikian

Email: [*info@nyacres.com*](mailto:info@nyacres.com)

Phone: (571) 426 0107

Country: United States

Website:   [*http://NYAcres.com*](http://NYAcres.com)

**Load-Date:** November 30, 2017

**End of Document**



[***wASHINGTON: PETITIONS AND MEMORIALS***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PG5-BBV1-F0YC-N3DM-00000-00&context=1516831)

Impact News Service

September 12, 2017 Tuesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 20856 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated: POM-82. A concurrent resolution adopted by the Legislature of the State of Louisiana memorializing the United States Congress to take such actions as are necessary to develop, implement, and enforce additional safeguards, policies, and procedures that will significantly enhance airport safety; to the Committee on Commerce, Science, and Transportation. House Concurrent Resolution No. 1 Whereas, according to the United States Department of Transportation's Bureau of Transportation Statistics, United States airlines and foreign airlines serving the United States carried over eight hundred ninety-five million passengers in 2015; and Whereas, airports contribute significantly to local, national, and global economies and provide jobs and fuel trade for economic development; and Whereas, approximately forty percent of all tourists travel by air, forty-five million tons of freight are transported annually by air, and fourteen million jobs around the world are tied to air travel, which heavily contribute to economic advancement; and Whereas, there are over nineteen thousand airports serving the United States with seven commercial service airports located in the state of Louisiana; and Whereas, safety and security are of great concern and are key influencing factors when people select a mode of transportation and a travel destination; and Whereas, on a daily basis, the lives of countless airline passengers are dependent upon the implementation of safety regulations adopted to protect the public interest both in the air and at the airport; and Whereas, while significant measures have been taken to enhance airport and traveler safety and security professionals are focused on extensive security investments to protect airports and civilians from threats, considerable vulnerabilities still remain; and Whereas, public areas of an airport, such as the baggage claim and ticket areas, remain vulnerable because the focus of security is primarily devoted to screening passengers to keep flights safe; and Whereas, the perceived weaknesses of an airport can be transformed into potential strengths with appropriate security solutions; and Whereas, as security systems become more reliable, competitively priced, and advanced, and there is better integration of products from various equipment manufacturers, security challenges can be overcome with effective solutions; and Whereas, in addition to detection and monitoring of movement prior to accessing the terminal of airports, perimeter security could be used to control, manage, and verify a high volume of traffic at the initial point of contact at an airport; Now, therefore, be it Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to develop, implement, and enforce additional safeguards, policies, and procedures that will significantly enhance airport safety; and be it further Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation.

\_\_\_\_ POM-83. A concurrent resolution adopted by the Legislature of the State of Louisiana memorializing the United States Congress to take such actions as are necessary to continue to provide appropriate and sufficient funding for the National Sea Grant College ***Program***, including that for Louisiana Sea Grant; to the Committee on Commerce, Science, and Transportation. House Concurrent Resolution No. 66 Whereas, the National Sea Grant College ***Program***, a network of thirty-three sea grant colleges and universities, was created in 1966 by the United States Congress in the National Oceanic and Atmospheric Administration within the United States Department of Commerce; and Whereas, the colleges and universities designated under the National Sea Grant College ***Program*** were so designated because they were involved in scientific research, education, training, and extension projects and ***programs*** that were aimed at preservation and practical development of coastal resources, including those along the Atlantic Ocean, the Pacific Ocean, the Gulf of Mexico, and the Great Lakes; and Whereas, the Act that created the National Sea Grant College ***Program*** stated that the ***program*** was to support education, research, and extension by ``Encouraging and developing ***programs*** consisting of instruction, practical demonstrations, publications, and otherwise, by sea grant colleges and other suitable institutes, laboratories, and public and private agencies through marine advisory ***programs*** with the object of imparting useful information to persons currently employed or interested in the various fields related to the development of marine resources, the scientific community, and the general public.''; and Whereas, in 1978, Louisiana Sea Grant, located at Louisiana State University, was designated as the thirteenth sea grant college and in its most recent ***program*** review conducted by the National Sea Grant Office of the National Oceanic and Atmospheric Administration was rated as ``. . . exceeds expectations by a substantial margin in some areas/ aspects.''; and Whereas, Louisiana Sea Grant, similar to the ***agricultural*** extension or ``county agent'' ***program*** of the United States Department of ***Agriculture***, provides many educational and support services to local coastal communities and businesses, including our state's commercial fishermen; and Whereas, in 2015, Louisiana Sea Grant activities in the state resulted in $17.7 million in economic benefits, the establishment of nearly one hundred twenty businesses, and the educational experiences of nearly twenty-nine thousand students in our elementary and secondary schools; and Whereas, Louisiana Sea Grant was also able to assist twenty-four communities in the development and implementation of sustainable economic and environmental practices to the benefit of those communities and their citizens; and [[Page S5103]] Whereas, Louisiana Sea Grant has been a part of the first response to many coastal crises including hurricanes, floods, and even the Deepwater Horizon oil disaster, and the Louisiana Sea Grant has been an essential part of the short- term and long-term recovery from those disasters by local coastal communities; and Whereas, Louisiana Sea Grant annually reaches more than twenty-five thousand of our state's kindergarten through twelfth grade schoolchildren through professional development for teachers and development of student coastal stewardship activities and has supported more than twelve hundred graduate and undergraduate students in their quest for applicable degrees and research opportunities, furthering the mission of Louisiana Sea Grant to impart ``. . . useful information to persons currently employed or interested in the various fields related to the development of marine resources, the scientific community, and the general public''; and Whereas, one of the ***programs*** slated to be cut by $30 million in the Fiscal Year 2018 President's budget request is the National Sea Grant College ***Program*** with an additional Fiscal Year 2019 budget proposal that would eliminate funding for the Sea Grant ***program*** entirely; and Whereas, the Fiscal Year 2018 proposed cut would eliminate the remaining budget for the National Sea Grant College ***Program*** this year and, if adopted, would terminate the National Sea Grant Office on the day such a budget cut became effective; and Whereas, Louisiana Sea Grant provides vital services to the state of Louisiana and its citizens through the scientific research, education, training, and extension projects and ***programs*** that are aimed at preservation and practical development of coastal resources and the loss of these services would deal a devastating blow to communities already stressed due to the magnitude of coastal loss and repeated natural disasters, such as hurricanes and flooding: Therefore, be it Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to continue to provide appropriate and sufficient funding for the National Sea Grant College ***Program***, including that for Louisiana Sea Grant; and be it further Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation. \_\_\_\_ POM-84. A concurrent resolution adopted by the Legislature of the State of Louisiana memorializing the United States Congress and the Louisiana Congressional Delegation to take such actions as are necessary to rectify the revenue sharing inequities between coastal and interior energy ***producing*** states and to ensure the dependability of such revenue sharing, to the Committee on Energy and Natural Resources. House Concurrent Resolution No. 101 Whereas, since 1920, interior states with mineral production in the United States have been privy to a revenue sharing agreement with the federal government that allowed those states to keep fifty percent of the revenues generated in their states from mineral production on federal lands within their borders, including royalties, severance taxes, and bonuses; and Whereas, coastal states with onshore and offshore oil and gas production were not included in that revenue sharing agreement and therefore face inequities under the federal energy policies because those coastal states have not been party to this same level of revenue sharing partnership with the federal government; and Whereas, coastal energy ***producing*** states have a limited partnership with the federal government that allows them to retain very little revenue generated from their offshore energy production and transportation, and activities associated with energy that are ***produced*** and transported for use throughout the nation; and Whereas, in 2006 the United States Congress passed the Gulf of Mexico Energy Security Act (GOMESA) from which the state of Louisiana will begin receiving revenue sharing payments from mineral production in the Gulf of Mexico in 2017; an Act that calls for a sharing of thirty-seven and five tenths percent of coastal production revenues with four gulf states with a cap of $500 million per year; and Whereas, according to the most recent data from the United States Energy Information Administration, Louisiana, including its state waters, is the ninth largest ***producer*** of oil in the United States while if offshore oil production from federal waters is included, it is the second largest oil ***producer*** in the country; and from wells located within the state boundaries including the state waters, Louisiana is the fourth largest ***producer*** of gas in the United States while if gas production from federal offshore waters in the Gulf of Mexico is included, it is the second largest gas ***producer*** in the United States; and Whereas, with eighteen operating refineries in the state, Louisiana is second only to Texas in both total number of refineries and total refinery operating capacity, accounting for nearly one-fifth of the nation's total refining capacity; and Whereas, Louisiana contributes to the United States ***Strategic*** Petroleum Reserve with two facilities located in the state consisting of twenty-nine caverns capable of holding nearly three hundred million barrels of crude oil; and Whereas, with three onshore liquified natural gas (LNG) facilities and others already permitted, more LNG facilities than any other state in the country, and the Louisiana Offshore Oil Port, the nation's only deepwater oil port, Louisiana plays an essential role in the movement of natural gas from the United States Gulf Coast region to markets throughout the country; and Whereas, it is apparent that Louisiana plays an essential role in supplying the nation with energy and it is vital to the security of our nation's energy supply, roles that should be recognized and compensated at an appropriate revenue sharing level; and Whereas, the majority of the oil and gas production from the Gulf of Mexico enters the United States through coastal Louisiana with all of the infrastructure necessary to receive and transport such production, infrastructure that has for many decades damaged the coastal areas of Louisiana, an impact that should be compensated through appropriate revenue sharing with the federal government; and Whereas, because Louisiana is losing more coastal wetlands than any other state in the country, in 2006 the people of Louisiana overwhelmingly approved a constitutional amendment dedicating revenues received from Outer Continental Shelf oil and gas activity through GOMESA to the Coastal Protection and Restoration Fund for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetland losses; and Whereas, the state of Louisiana has developed, through a science-based and stakeholder-involved process, a ``2017 Comprehensive Master ***Plan*** for a Sustainable Coast'' which identifies and prioritizes the most efficient and effective projects in order to meet the state's critical coastal protection and restoration needs and has received many accolades from the country's scientific community; and Whereas, the Coastal Protection and Restoration Authority is making great progress implementing the projects in the ``Comprehensive Master ***Plan*** for a Sustainable Coast'' with all available funding, projects that are essential to the protection of the infrastructure that is critical to the energy needs of the United States; and Whereas, the federal budget proposal released on May 23, 2017, recommends the complete elimination of the revenue sharing payments under the GOMESA Act, in effect negating the long-fought-for agreement that our congressional delegation along with the delegations from the other Gulf of Mexico states had entered into with the federal government to compensate those states for the infrastructure demands and damages; and Whereas, in order to properly compensate the coastal states for the infrastructure demands that result from production of energy and fuels that heat and cool the nation's homes, offices, and businesses and fuel the nation's transportation needs, revenue sharing for coastal states needs to at least be at the same rate as interior states that ***produce*** oil, gas, and coal. Therefore, be it Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress and the Louisiana Congressional Delegation to take such actions as are necessary to treat oil and gas production in the Gulf Coast states in a manner that is at least equal to onshore oil, gas, and coal production in interior states for revenue purposes; and to rectify the revenue sharing inequities between coastal and interior energy ***producing*** states in order to address the nationally significant crisis of wetland loss in the state of Louisiana; and be it further Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress and the Louisiana Congressional Delegation, along with the delegations from the other Gulf of Mexico states, to ensure that the agreement codified through the Gulf of Mexico Energy Security Act (GOMESA) remains in place and that the Gulf Coast states receive their anticipated revenue sharing payments during Fiscal Year 2017-2018 as outlined in the Act; and be it further Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana Congressional Delegation. \_\_\_\_ POM-85. A resolution adopted by the Senate of the State of California relative to a New Five-year National Offshore Oil and Gas Leasing ***Program*** on the Outer Continental Shelf; to the Committee on Energy and Natural Resources. Senate Resolution No. 51 Whereas, California's iconic coastal and marine waters are one of our state's most precious resources, and, as elected officials, it is our duty to ensure the long-term viability of California's fish and wildlife resources, and thriving fishing, tourism, and recreation sectors; and Whereas, Hundreds of millions of California residents and visitors enjoy the state's ocean and coast for recreation, exploration, and relaxation; and tourism and recreation comprise the largest sector of the state's $445 billion ocean economy; and Whereas, There have been no new offshore oil and gas leases in California since the 1969 blowout of a well in federal waters; and [[Page S5104]] Whereas, Beginning in 1921, and many times since, the California Legislature has enacted laws that withdrew certain offshore areas from oil and gas leasing, and by 1989 the state's offshore oil and gas leasing moratorium was in place; and Whereas, In 1994, the California Legislature made findings in Assembly Bill 2444, Chapter 970 of the Statutes of 1994, that offshore oil and gas production in certain areas of state waters poses an unacceptably high risk of damage and disruption to the marine environment; and Whereas, In the same bill, the Legislature created the California Coastal Sanctuary Act, which included all of the state's unleased waters subject to tidal influence and prohibited new oil and gas leases in the sanctuary, unless the President of the United States has found a severe energy supply interruption and has ordered distribution of the ***Strategic*** Petroleum Reserve, the Governor finds that the energy resources of the sanctuary will contribute significantly to alleviating that interruption, and the Legislature subsequently amends Chapter 970 of the Statutes of 1994 to allow that extraction; and Whereas, Section 18 of the federal Outer Continental Shelf Lands Act (43 U.S.C Sec. 1331 et seq.) requires the preparation of a nationwide offshore oil and gas leasing ***program*** that sets a five-year schedule of lease sales implemented by the Bureau of Ocean Energy Management within the United States Department of the Interior; and Whereas, Consistent with the principles of Section 18 and the resulting regionally tailored leasing strategy, the current exclusion of the Pacific Outer Continental Shelf from new oil and gas development is consistent with the longstanding interests of Pacific coast states, as framed in the 2006 West Coast Governors' Agreement on Ocean Health adopted by the Governors of California, Washington, and Oregon; and Whereas, In November 2016, the federal Bureau of Ocean Energy Management released a final 2017-2022 leasing ***program*** that continues the moratorium on oil and gas leasing in the undeveloped areas of the Pacific Outer Continental Shelf; and Whereas, Governor Brown, in December 2016, requested that then President Obama permanently withdraw California's Outer Continental Shelf from new oil and gas leasing, and along with previous California Governors, has united with the Governors of Oregon and Washington in an effort to commit to developing robust renewable energy sources to reduce our dependence on fossil fuel and help us reach our carbon emission goals; and Whereas, The California Legislature has led the nation with its landmark climate change legislation, requiring ambitious greenhouse gas emission reductions of a 40-percent emissions reduction below 1990 levels by 2030, and achieving a renewables portfolio standard of 50 percent by 2030; California must lead the nation in fostering the transition away from offshore fossil fuel production to protect both our climate and oceans from the damaging impacts of climate change, which will affect all life on earth for generations to come; and Whereas, President Trump's proposed five-year National Offshore Oil and Gas Leasing ***Program*** represents a renewed call for opening offshore areas for drilling and for lifting moratoriums on energy production in federal areas, that could lead to more oil spills, increased dependence on fossil fuel, and more damaging impact from climate change; and Whereas, The California Legislature considers new oil and gas development offshore of the Pacific coast to be a threat to the nation's economy and national security, and to the state's ambitious renewable energy goals; and Whereas, The California Senate has previously adopted Senate Resolutions 35 and 44 in 2017, which support the current federal prohibition on new oil or gas drilling in federal waters offshore California, oppose attempts to modify the prohibition, and defend the United States' National Marine Sanctuaries; and Whereas, Secretary of the Interior Ryan Zinke took action on June 29, 2017, to open up a 45-day public comment period for a new five-year National Offshore Oil and Gas Leasing ***Program*** on the Pacific coast's Outer Continental Shelf pursuant to President Donald J. Trump's Executive order on American energy that was issued on April 28, 2017; and Whereas, Despite the Trump administration's assertion of support for the ***program*** from state and local governments, the States of Washington, Oregon, and California have been consistently united in their opposition to any new oil and gas activities off their coasts, which has resulted in the exclusion of the Pacific coast's Outer Continental Shelf from any National Outer Continental Shelf ***Program*** since the 1989- 1992 ***program***; now, therefore, be it Resolved by the Senate of the State of California, That the Senate strongly urges the President and the Congress of the United States to permanently safeguard and protect the Pacific coast's Outer Continental Shelf from new oil and gas leasing, and declares the Senate's unequivocal support for the current federal prohibition on new oil or gas drilling in federal waters offshore of the Pacific coast, its opposition to the proposed five-year National Offshore Oil and Gas Leasing ***Program*** on the Outer Continental Shelf or any attempts to modify that prohibition, and its determination to consider any appropriate actions to maintain the current prohibition; and be it further Resolved, That the Secretary of the Senate transmit a copy of this resolution to the National ***Program*** Manager of the federal Bureau of Ocean Energy Management as the public comment of the Legislature in opposition to the proposed new five-year National Offshore Oil and Gas Leasing ***Program*** on the Outer Continental Shelf; and be it further Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and the Vice President of the United States, to the Governor of California, to the Majority and Minority Leaders of the United States Senate, to the Speaker and the Minority Leader of the United States House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Secretary of the United States Department of the Interior, to the Director of the federal Bureau of Ocean Energy Management, and to each member of the California State Senate and Assembly. \_\_\_\_ POM-86. A concurrent resolution adopted by the Legislative Assembly of the Commonwealth of Puerto Rico requesting the Comptroller General of the United States comply with the provisions of Section 411 of Public Law 114-187, known as the ``Puerto Rico Oversight, Management, and Economic Stability Act,'' in order to conduct and submit to the United States Congress an audit of the public debt of the territory of Puerto Rico; to the Committee on Energy and Natural Resources. S. Con. Res. 17 STATEMENT OF MOTIVES The Government of Puerto Rico is under the control of the ``Puerto Rico Oversight, Management, and Economic Stability Act'' (PROMESA), passed on June 30, 2016. Said federal statute provides for the creation of a Fiscal Oversight Board to assist the Government of Puerto Rico in managing its public finances and enable Puerto Rico to regain access to capital markets. During the floor debate on PROMESA, it was made clear that the intent of said federal measure was to provide for the restructuring of the debt without favoring any specific creditor. To achieve this, the aforementioned federal legislation requires transparent audits along with annual fiscal and budget ***plans***, and the temporary stay of litigations, to allow the Fiscal Oversight Board a space for carrying out voluntary negotiations. Thus, it was made clear that Puerto Rico's debt would be audited. In the words of Congressman Ryan: ``Congress and the President will appoint the members of this board. It will audit Puerto Rico's books and make sure the restructuring is open and fair [ . . . ].'' In light of such reality and as part of said processes and the approval of PROMESA, Section 411 was incorporated, directing the Comptroller General of the United States to submit reports on the public debt of the territory, that is, Puerto Rico, within a year of enactment, and thereafter not less than once every two years. Said report would include the historical levels of public debt, current amount and composition thereof, and future projections of each territory's public debt. It should also include the historical levels of each territory's revenue, current amount and composition of each territory's revenue, and future projections of each territory's revenue. Moreover, the report shall state the drivers and composition of the public debt as well as the ability of each territory to repay its public debt. To fulfill said undertaking, the Government of Puerto Rico would provide the Comptroller General with any information necessary to carry out said statutory task. The approval of PROMESA and Section 411 invalidated the functions of the Commission for the Comprehensive Audit of the Public Credit (hereinafter, the Commission) created under Act No. 97-2015, to set a fiscal and financial restructuring process in motion in order to audit the entire public debt of Puerto Rico. Consequently, the Commission's purpose became redundant, entailing superfluous public spending. The objectives of the Commission were considered even during the incorporation of Section 411 to PROMESA. For such reason, upon the enactment of said federal statute, it was clearly stated in Section 413 that the functions of the Commission would be independent to those provided in PROMESA. Furthermore, it was stated that ``[ . . . ] this particular amendment does not override the authority of the oversight board.'' Therefore, given the fiscal situation facing the Island, it would be contradictory to allocate resources and efforts, when the provisions of PROMESA require an audit conducted by the Comptroller General of the United States. Consequently, and in accordance with PROMESA's provisions, the Comptroller General of the United States is entrusted with the audit Puerto Rico's debt, including the historical levels, current amount and composition thereof in the best interest of the People of Puerto Rico. Thusly, we obtain an independent and transparent evaluation of accountability that may be free from collateral attack and that may be effectively used by the Fiscal Oversight Board in carrying out the task entrusted thereto under PROMESA. Be it Resolved by the Legislative Assembly of Puerto Rico: Section 1.--The Comptroller General of the United States is hereby required to comply with the provisions of Section 411 of Public Law 114-187, known as the ``Puerto Rico [[Page S5105]] Oversight, Management, and Economic Stability Act,'' in order to conduct and submit to the U.S Congress an audit of the public debt of the territory of Puerto Rico. Section 2.--A copy of this Concurrent Resolution, translated into English, shall be delivered to the President of the United States, the leadership of the United States Congress, the Resident Commissioner of Puerto Rico in Washington D.C , and the media for its disclosure. Section 3.--This Concurrent Resolution shall take effect immediately after its approval. \_\_\_\_ POM-87. A resolution adopted by the General Assembly of the State of New Jersey opposing the President of the United States's nomination for Administrator of the United States Environmental Protection Agency, and urging the United States Congress to oppose the nomination, to the Committee on Environment and Public Works. Assembly Resolution No. 211 Whereas, Created in the wake of elevated concern about environmental pollution, the United States Environmental Protection Agency (EPA) was established on December 2, 1970 to consolidate in one agency a variety of federal research, monitoring, standard-setting, and enforcement activities to ensure protection of the environment and public health; and Whereas, With a stated mission to protect the environment and human health, the EPA, since its inception, has been working for a cleaner, healthier environment for the American people; and Whereas, The EPA's primary focus has always been, and should be, protecting residents of this country from threats to their air, water, and health, not serving as an advocate for the interests of the very industries that it is charged with regulating; and Whereas, President Trump nominated Scott Pruitt, the attorney general of the oil and natural gas-intensive state of Oklahoma, to serve as Administrator of the EPA; and Whereas, Mr. Pruitt has spent much of his energy as attorney general fighting the very agency he is being nominated to lead, and according to a biography publicly available on the website of the Oklahoma Office of the Attorney General, Mr. Pruitt ``is a leading advocate against the EPA's activist agenda''; and Whereas, As Oklahoma Attorney General, Mr. Pruitt has engaged in lawsuits opposing EPA's policies aimed at protecting air quality and water quality, including being part of the coalition of state attorney generals suing the EPA over its Clean Power ***Plan***, which is aimed at reducing greenhouse gas emissions from the electricity sector, its regulations seeking to curtail emissions of methane, a powerful greenhouse gas, from the oil and natural gas sector, and its regulation concerning the definition of ``Waters of the United States,'' which defines the rivers, streams, lakes, and marshes that fall under the protection of the EPA and the United States Army Corps of Engineers; and Whereas, According to numerous press reports, President Trump has said ``For too long, the Environmental Protection Agency has spent taxpayer dollars on an out-of-control anti- energy agenda that has destroyed millions of Jobs''; and Whereas, Strong environmental standards that protect public health and the environmental resources of this country are not contrary to a strong economy and the creation of jobs; and Whereas, The Sierra Club, the nation's largest environmental organization, released the following statement about the nomination. ``Having Scott Pruitt in charge of the U S. Environmental Protection Agency is like putting an arsonist in charge of fighting fires He is a climate science denier who, as Attorney General for the state of Oklahoma, regularly conspired with the fossil fuel industry to attack EPA protections. Nothing less than our children's health is at stake . . .''; and Whereas, Instead of nominating a person who seeks to promote the lobbying agenda of special interests and believes that strong environmental protections are obstacles that should be dismantled, the President should nominate a person who is guided by science and will work to ensure that residents of this country have clean air to breathe, clean water to drink, clean soils on which to live and play, and jobs that do not endanger their public health and safety; and Whereas, In order to protect the health, safety, and welfare of the country's residents and its natural resources, it is altogether fitting and proper for this House to object to the President's nomination of Scott Pruitt as Administrator of the United States Environmental Protection Agency: Now, therefore, be it Resolved by the General Assembly of the State of New Jersey: 1. This House strongly opposes President Trump's nomination of Scott Pruitt as Administrator of the United States Environmental Protection Agency and urges the United States Congress to oppose this nomination, 2. Copies of this resolutio

n, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly to the President of the United States, the President of the United States Senate, the Senate Majority Leader, the Senate Minority Leader, the Speaker of the United States House of Representatives, the Minority Leader of the United States House of Representatives, and each member of Congress elected from the State of New Jersey. \_\_\_\_ POM-88. A concurrent resolution adopted by the Legislature of the State of Louisiana memorializing the United States Congress to take such actions as are necessary to complete the Comite River Diversion Canal Project, and to take such actions as are necessary to authorize the use of Hazard Mitigation Grant ***Program*** funds to complete the construction of an authorized United States Army Corps of Engineers project under the current emergency rules and circumstances, to the Committee on Environment and Public Works. House Concurrent Resolution No. 97 Whereas, the flooding of August 2016 was declared a state and national disaster resulting in the loss of life and destruction of property; and Whereas, the Comite River Diversion Canal Project remains incomplete twenty-five years after its authorization and if completed could have substantially reduced flood stages by as much as five feet and mitigated the devastation caused by the floods; and Whereas, approximately $117 million of local, state, and federal funding has been invested in the project; and Whereas, the state of Louisiana anticipates receiving Hazard Mitigation Grant ***Program*** funding from the Federal Emergency Management Agency as a result of the flood and the national declaration of emergency; and Whereas, the flood of 2016 has shown the urgent need to complete the project as a means to protect life and property in the future as citizens impacted by the flood rebuild their homes and lives: Therefore, be it Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to complete the Comite River Diversion Canal Project; and be it further Resolved, That the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to authorize the use of Hazard Mitigation Grant ***Program*** funds to complete the construction of an authorized United States Army Corps of Engineers project under the current emergency rules and circumstances; and be it further Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation. \_\_\_\_ POM-89. A resolution adopted by the General Assembly of the State of New Jersey urging the United States Senate not to enact H.R 1628, the ``American Health Care Act of 2017'', to the Committee on Finance. Assembly Resolution No. 252 Whereas, the Patient Protection and Affordable Care Act (ACA), which was signed into law on March 23, 2010, established a comprehensive series of health insurance reforms designed to make universal, quality, affordable health coverage available to all Americans while ending certain common health insurance industry practices that limited access to coverage; and Whereas, since its enactment, the ACA has helped reduce the number of people without health insurance through the use of tax subsidies, coverage mandates, and expansions to Medicaid. In New Jersey alone, an additional 480,000 people obtained coverage under the Medicaid expansion, and the uninsured rate in the State was reduced to 8.7 percent, representing a 34 percent decrease in the uninsured population between 2013 and 2015: and Whereas, on March 20, 2017, H.R.1628, the American Health Care Act of 2017 (AHCA), sometimes known as ``Trumpcare,'' was introduced in the United States House of Representatives. On May 4, 2017, the House voted to pass the bill; and Whereas, on March 23, 2017, the nonpartisan Congressional Budget Office (CBO) estimated that the AHCA would result in an additional 24 million people being without health insurance by 2026, as compared with the uninsured rate under the ACA. Although the House of Representatives amended the bill prior to passage, the membership did not wait for a new CBO score before holding a vote, suggesting the House passed the bill without the benefit of an impartial analysis of its potential effects; and Whereas, as passed by the House of Representatives, the AHCA would eliminate many of the provisions of the ACA that were designed to expand access to health insurance, including rolling back the Medicaid expansion; and Whereas, in its current form, Trumpcare would revise the way tax subsidies are structured and allow states to opt out of certain ACA protections designed to prevent certain industry practices that limited access to health care for women and individuals with preexisting conditions; and Whereas, specifically, under the current version of the AHCA, states would be allowed to opt out of the requirement that all health insurance policies include coverage for essential health benefits, including emergency services, habilitative and rehabilitative services, inpatient care, outpatient care, maternity and newborn care, mental health and addiction treatment, lab tests, preventative care, prescriptions, and pediatric services; and Whereas, before enactment of the ACA, women who wanted coverage for maternity [[Page S5106]] and newborn care were frequently charged premiums and deductibles that nearly matched the out of pocket costs for those services. Experts predict that, in states that opt out of the maternity and newborn care coverage requirement, women will again be charged significantly higher rates for this coverage; and Whereas, the nation is currently in the midst of an opioid addiction epidemic that has caused overdose and mortality rates to skyrocket. Efforts to address and curtail opioid addiction could be significantly hampered in states that opt out of mandatory coverage for mental health and addiction treatment; and Whereas, prior to enactment of the ACA, insurers denied coverage to people with preexisting conditions or charged them significantly higher premiums and deductibles; 35 states and the federal government created high risk pools to attempt to provide coverage to these individuals, however, the pools were expensive to operate and required significant governmental subsidies. Even with the subsidies, the pools were generally unable to provide coverage to everyone with a preexisting condition, and many pools implemented waiting lists, annual and lifetime limits on coverage, high deductibles, and waiting periods before coverage began; and Whereas, in its current form, Trumpcare would replace coverage protections for people with preexisting conditions with the same high risk pools that failed in the past. According to an analysis published by Avelere, the $23 billion included in the Trumpcare ***plan*** to fund the pools would cover approximately five percent of the 2.2 million people with preexisting conditions; the Commonwealth Fund estimates that high risk pools will require $178 billion in funding each year to coves everyone with a preexisting condition; and Whereas, New Jersey Policy Perspective predicts that rolling back the Medicaid expansion will eliminate coverage for 562,000 people in New Jersey, and permanent structural changes to Medicaid will jeopardize coverage for an additional 1.8 million State residents, including seniors, people with disabilities, and children; and Whereas, under the AHCA, it is estimated that a total of 1.25 million New Jersey residents will be uninsured by 2020. This would be an increase of 127,000 over the number of uninsured people prior to the enactment of the ACA, and includes 86,000 people who had coverage under Medicaid prior to enactment of the ACA, but are expected to lose coverage because the State will not be able to replace lost federal funding; and Whereas, it would cost New Jersey an estimated $8.8 billion over the next decade to maintain Medicaid coverage at the expanded levels, assuming there is no increase in enrollment; and Whereas, according to New Jersey Policy Perspective, caps on Medicaid spending under Trumpcare will cost New Jersey $30 billion in federal funds and potentially result in tens of thousands of lost jobs; and Whereas, the AHCA is expected to increase out-of-pocket health care costs by an average of $2,740 per year for each of the 250,000 New Jersey residents who purchase insurance through the ACA marketplace; and Whereas, although the AHCA would provide 250 New Jersey millionaires with a federal tax break averaging $57,000 per year, it is expected to increase federal taxes by 30 percent for middle and lower income New Jerseyans; and Whereas, the Center for American Progress conservatively estimates that it will cost $790 million per year to provide health coverage for the 37,000 New Jerseyans with a preexisting condition. Currently, the AHCA would allocate an average $353 million to each state, leaving New Jersey with a $437 million funding gap, the 11th highest in the nation; and Whereas, numerous health care groups have expressed opposition to the AHCA, including the American Medical Association, the American Hospital Association, the American Academy of Family Physicians, the National Alliance on Mental Illness, and the American Diabetes Association; and Whereas, an increase in the number of uninsured individuals will likely increase costs for hospitals, which are required to treat anyone who presents at the emergency department, regardless of their coverage status. In New Jersey, expanded Medicaid coverage under the ACA resulted in $400 million in cost savings from payments to hospitals to offset the cost of caring for individuals without insurance. These gains are likely to be erased under Trumpcare to its current form; and Whereas, if enacted, the AHCA will eliminate health security for millions of Americans, particularly older adults, women, and individuals with preexisting conditions. The United States Senate has both the opportunity and the responsibility to stop this disastrous legislation from becoming law; Now, therefore, be it Resolved, by the General Assembly of the State of New Jersey: 1. The General Assembly of New Jersey respectfully urges the United States Senate not to enact H.R 1628, titled the American Health Care Act of 2017. 2. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly to the President and Vice President of the United States, the Majority and Minority Leaders of the United States Senate, the Speaker and Minority Leader of the United States House of Representatives, and every member of the Congress of the United States elected from the State of New Jersey. \_\_\_\_ POM-90. A resolution adopted by the House of Representatives of the Legislature of the State of Texas urging the United States Congress to support policies to increase the operational efficiency, and thereby the environmental performance, of existing electric-generating units and to support the preservation of a fuel-diverse electric generation portfolio critical to our domestic economic, energy, and national security; to the Committee on Finance. H.R No. 1833 Whereas, Fossil fuels, including coal, natural gas, and oil, currently meet more than three quarters of primary global energy demand around the world and in the United States; and Whereas, According to the International Energy Agency, under current energy and environmental policies, fossil fuels will continue to play a role of this magnitude for the next quarter century or more; even assuming global adoption of policies consistent with the IEA's ``climate-stabilizing'' 450 Scenario, more than half of total worldwide and U.S energy demand would still be met by fossil fuels in 2040; and Whereas, The U.S Department of Energy has reported that ``carbon capture, utilization, and storage technologies provide a key pathway to address the urgent U.S and global need for affordable, secure, resilient, and reliable sources of clean energy''; environmental advocates who recognize the value and enduring role of fossil fuels as an essential source of energy have come to support the accelerated development and broad deployment of carbon capture technologies for fossil fuels as part of a sustainable energy future; similarly, fossil energy advocates who have recognized the role carbon capture can play in creating new opportunities support the development and deployment of carbon capture technologies for fossil fuels; and Whereas, The United States and Texas have abundant supplies of fossil energy, the production and use of which provide important economic, energy, and national security benefits to our nation and our state; Texas is the nation's largest ***producer*** of natural gas, oil, lignite coal, and fossil fuels in total, and it has the nation's largest proved reserves of both natural gas and oil, as well as the ninth-largest recoverable reserves of coal; it is the nation's largest consumer of coal for electricity generation and the largest consumer of natural gas for both electricity generation and industrial use; 77 percent of the electricity generated in Texas is ***produced*** from the use of fossil fuels; and Whereas, Reliable and affordable electricity is vital to economic growth and job creation and to the well-being of all citizens; according to the U.S Department of Energy, ``A diverse portfolio of energy resources is critical to U.S energy and national policy . . . being more robust and resilient in comparison to a system that is heavily dependent on a limited set of energy resources . . . [and] helps insulate the economy from certain risks, including price volatility and risks from supply disruptions''; and Whereas, Texas is a leader in the research and development of technologies that provide clean, safe, and reliable power generation, and it is committed to continued research and development of carbon reduction strategies for fossil fuels, including existing and emerging CCUS technologies such as geological sequestration, mineral carbonation, and the beneficial use of captured carbon dioxide; and Whereas, In Texas, many academic, private, and governmental initiatives and institutions are engaged in efforts to address the environmental, health, and economic impacts of energy production and use through collaborations on applied CO2 research, practical applications, workforce development, and public education; among them are the Petra Nova Project at the W. A. Parish Electric Generating Station in Fort Bend County, the Texas Clean Energy Project in Ector County, the NET Power project in Harris County, the Energy and Environment Initiative at Rice University, the Texas Carbon Management Project, and the Gulf Coast Carbon Center at The University of Texas at Austin; and Whereas, Legislation was introduced in the 114th U.S Congress to enhance and extend current federal tax incentives, under Section 45Q of the Internal Revenue Code, that sustain and promote such collaborations and encourage private industry in energy generation, manufacturing, and ***agriculture*** to adopt and deploy existing and emerging technologies that increase carbon capture, utilization, and storage; environmental and energy advocates have come together in support of this legislation in a groundbreaking coalition of environmental advocacy groups, labor unions, and energy ***producers*** from the coal, oil and gas, ethanol, and algae-biomass industries; moreover, the legislation has received strong bipartisan support in both the United States Senate and the United States House of Representatives; and Whereas, Congress and the president are also currently considering a large-scale federal infrastructure initiative to strengthen our nation's transportation, public works, and energy infrastructure, which could also serve as a vehicle for advancing ``jobs-ready'' carbon capture projects; the U.S Department of Energy has determined that ``a combination of tax incentives and research, development, demonstration, and deployment [[Page S5107]] (RDD&D) will be critical to developing transformational carbon capture technologies and to driving down the costs of capture''; and Whereas, The Lone Star State has long been committed to a forward-looking energy strategy that maximizes both environmental quality and economic opportunity; Now, therefore, be it Resolved, That the House of Representatives of the 85th Texas Legislature hereby respectfully urge the Congress of the United States to enact legislation to expand and extend the current federal tax credit for carbon capture, utilization, and storage under Section 45Q of the Internal Revenue Code; and, be it further Resolved, That the Texas House of Representatives respectfully urge Congress to provide appropriations to the U.S Department of Energy sufficient to achieve and sustain a robust carbon capture research, development, demonstration, and deployment ***program*** and to support the inclusion of economically and environmentally beneficial carbon capture projects in any forthcoming federal infrastructure initiative; and, be it further Resolved, That the Texas House of Representatives respectfully urge Congress to support policies to increase the operational efficiency, and thereby the environmental performance, of existing electric-generating units and to support the preservation of a fuel-diverse electric generation portfolio critical to our domestic economic, energy, and national security; and, be it further Resolved, That the chief clerk forward official copies of this resolution to the president of the United States, to the president of the Senate and the speaker of the House of Representatives of the United States Congress, and to all the members of the Texas delegation to Congress with the request that this resolution be entered in the Congressional Record as a memorial to the Congress of the United States of America. \_\_\_\_ POM-91. A joint resolution adopted by the Legislature of the State of California opposing cuts to and proposals to privatize Social Security, Medicare, and Medicaid and calling on California's Representatives in the United States Congress to vote against cuts and proposals to privatize and to support legislation to improve and expand these systems to strengthen their protections, to the Committee on Finance. Assembly Joint Resolution No. 8 Whereas, Social Security, Medicare, and Medicaid are the foundation of the income and health security of older Americans, younger Americans with permanent and severe disabilities, and American families, whose economic circumstances preclude them from purchasing health insurance in the private market; and Whereas, Social Security is our nation's most important source of retirement income, providing more than half the income of two-thirds of senior beneficiaries and virtually all the income of one-third of them; its most important source of disability insurance; and its most important life insurance ***program***; and Whereas, Social Security and Medicare are the foundations of income and health security for older Californians and those with severe work disabilities, providing monthly cash benefits and health insurance to over 5.5 million residents, including almost 4 million retired workers and over 700,000 disabled workers; and Whereas, Social Security is the single most important source of life insurance for California's children, which currently provides a virtually guaranteed income to over 350,000 children throughout our state; and Whereas, Social Security prevents more than 1.9 million Californians from living in poverty; and Whereas, Social Security is even more important to rural Californians, one in 4 of whom received benefits in 2014, than to metropolitan Californians, one in 7 of whom received benefits; and Whereas, Social Security benefits annually contribute over $80 billion to our state's economy; and Whereas, Social Security provides benefits to over 9 million veterans nationwide, which is about 4 out of every 10 veterans; and Whereas, Our nation is facing a retirement income crisis as the result of the decline of traditional pensions, the failure of 401(k) balances, and the stagnation or even decline in many areas of home equity and earnings, all of which have caused many workers to fear that they will never be able to retire and maintain their standard of living; and Whereas, 47 percent of elderly Californians are struggling just to make ends meet and more than half of working Californians will not have saved enough to be able to maintain their standard of living in retirement; and Whereas, Improving Social Security benefits is a solution to the retirement crisis; as well as to other serious problems such as rising income and wealth inequality; and Whereas, Social Security's funding is independent of that of the rest of the federal government, and has never contributed to, and by law can never contribute to, the federal deficit; and Whereas, Social Security in fact had a surplus of $2.8 trillion at the end of 2015 that is expected to grow to $2.9 trillion by 2020; and Whereas, Social Security has sufficient resources to meet all its obligations through 2034 and has dedicated revenues that would meet three-quarters of promised benefits thereafter; and Whereas, Social Security's funding shortfall after 2034 is modest: about half the cost of the Bush tax cuts of 2001 and 2003; and Whereas, There are many policy options available to Congress to close Social Security's long-term funding gap and to improve its benefits, including eliminating or increasing the cap on earnings subject to the payroll tax, or gradually increasing the contribution rate from 6.2 percent to 7.2 percent, or subjecting investment income to Social Security contributions, or treating contributions to all salary reduction ***plans*** like 401(k) ***plans*** as covered earnings for Social Security, or by dedicating revenues from progressive taxes like the estate tax or a financial transactions tax to pay part of the future cost of Social Security; and Whereas, According to a multigeneration study conducted by the National Academy of Social Insurance, 77 percent of Americans (69 percent of Republicans, 84 percent of Democrats, and 76 percent of Independents) agree that it is critical to preserve Social Security for future generations even if it means increasing taxes paid by working Americans, and there is even greater multipartisan support (71 percent of Republicans, 92 percent of Democrats, and 84 percent of Independents) for preserving it by increasing taxes paid by wealthier Americans; and Whereas, Medicare has provided health care in retirement since 1965 and in disability since 1972 to several generations of American workers; and Whereas, Medicare now covers over 5.6 million Californians, providing over $50 billion in benefits to California's senior and disabled beneficiaries in 2009 (22 percent of all health spending in the state); and Whereas, Medicare insures these people, who represent the part of our population with the highest health care costs, at a fraction of the administrative costs of private health care ***plans***; and Whereas, Medicare has controlled its costs of care better than private insurance ***plans***; and Whereas, Other nations, which essentially have Medicare for all of their citizens, are able to provide high-quality health care at a fraction of the cost and with better health care outcomes; and Whereas, Current proposals in Congress to radically reduce Medicare to a ``premium support'' or ``voucher'' ***program*** and to further privatize the system would result in increased health care insecurity and costs for seniors and disabled beneficiaries and reduce the ability of our government to contain our nation's overall health care expenditures, which currently equal 17.8 percent of our gross domestic product (GDP), by far the highest relative cost of any industrialized nation (the euro area's costs are about 8 percent); and Whereas, Medicaid is our nation's most important source of long-term care, as well as vital insurance for our most vulnerable seniors, children, and people with disabilities, providing health coverage to over 74 million people; and Whereas, Medicaid provides health coverage to over 12 million Californians whose economic circumstances preclude them from participating in the private health care insurance system, yet who need and deserve medical treatment as much as any American in better economic circumstances; and Whereas, Current Congressional proposals to limit federal Medicaid funding through the use of block grants to the states threaten to severely limit Medicaid's ability to provide adequate health care coverage to the most vulnerable among us; and Whereas, Our Social Security, Medicare, and Medicaid systems are fundamental to protecting against risks to which all Californians are subject; and Whereas, Our Social Security, Medicare, and Medicaid systems give expression to widely held values, including caring for our families, our neighbors, and ourselves, personal responsibility, hard work, and personal dignity; now, therefore, be it Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature opposes cuts to and proposals to privatize Social Security, Medicare, and Medicaid and calls on our state's Representatives in Congress to vote against cuts and proposals to privatize and to support legislation to improve and expand these systems to strengthen their protections; and be it further Resolved, That the Legislature calls on the President of the United States to honor his campaign promise not to cut these ***programs***, to veto any legislation to do so, and to work with Congress to expand and improve these ***programs***; and be it further Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, and to each Senator and Representative from California in the Congress of the United States. \_\_\_\_ POM-92. A resolution adopted by the House of Representatives of the Legislature of the State of Texas urging the United States Congress to recognize the importance of trade between Texas and Mexico and foster international commerce, to the Committee on Finance. H.R No. 1025 Whereas, Trade between Texas and Mexico plays a vital role in the economic prosperity of the Lone Star State; and [[Page S5108]] Whereas, Each year, Texas sends about 36 percent of the state's total exports to Mexico, and in 2015, exports to Mexico totaled nearly $92.5 million; goods exported to Mexico include computer and electronic products, petroleum and coal products, chemicals, machinery, and transportation equipment, all of which are ***produced*** by industries that supply hundreds of thousands of jobs to the Lone Star State; and Whereas, Since the ratification of the North American Free Trade Agreement in 1994, the export of U.S goods to Mexico has risen 325 percent, while imports into the United States from Mexico have increased 458 percent; in 2012, Americans spent $277.5 billion for goods from Mexico, and Mexico is America's third-largest supplier of oil, after Canada and Saudi Arabia; additionally, nearly half of the tomatoes and two-thirds of the mangoes consumed in the United States come from Mexico; and Whereas, The importance of this trade to Texas border cities, counties, and businesses is very significant, and disruption to international commerce would be economically damaging; and Whereas, Mexico is the largest trading partner of Texas and the third-largest of the United States, and it is imperative that our federal government take proactive steps to strengthen ties with Mexico and build bridges of economic opportunity that will benefit Texas and the entire nation: Now, therefore, be it Resolved, That the House of Representatives of the 85th Texas Legislature hereby urge the United states Congress to recognize the importance of trade between Texas and Mexico and foster international commerce; and, be it further Resolved, That the chief clerk of the house forward official copies of this resolution to the president of the United States, to the president of the Senate and the speaker of the House of Representatives of the United States Congress, and to all the members of the Texas delegation to Congress with the request that this resolution be entered in the Congressional Record as a memorial to the Congress of the United States of America. \_\_\_\_ POM-93. A resolution adopted by the House of Representatives of the State of Florida opposing United Nations Security Council Resolution 2334 and requesting its repeal or fundamental alteration; to the Committee on Foreign Relations. House Resolution 281 Whereas, the United States has long supported a negotiated settlement leading to a sustainable two-state solution with the democratic, Jewish state of Israel and a demilitarized, democratic Palestinian state living side-by-side in peace and security, and Whereas, since 1993, the United States has facilitated direct, bilateral negotiations between both parties toward achieving a two-state solution and ending all outstanding claims, and Whereas, it is the long-standing policy of the United States that a peaceful resolution to the Israeli-Palestinian conflict will only come through direct, bilateral negotiations between the two parties, and Whereas, it was the long-standing position of the United States to oppose and, if necessary, veto United Nations Security Council resolutions dictating additional binding parameters on the peace process, and Whereas, it was also the long-standing position of the United States to oppose and, if necessary, veto one-sided or anti-Israel United Nations Security Council resolutions, and Whereas, the United States has stood in the minority internationally over successive administrations in defending Israel in international forums, including vetoing one-sided resolutions in 1995, 1997, 2001, 2002, 2003, 2004, 2006, and 2011 before the United Nations Security Council, and Whereas, the United States recently signed a new memorandum of understanding with the Israeli government regarding security assistance, consistent with long-standing support for Israel among successive administrations and Congresses and representing an important United States commitment toward Israel's qualitative military edge, and Whereas, on November 29, 2016, the United States House of Representatives unanimously passed House Concurrent Resolution 165, expressing and reaffirming long-standing United States policy in support of a direct, bilaterally negotiated settlement of the Israeli-Palestinian conflict and in opposition to United Nations Security Council resolutions that impose a solution to the conflict, and Whereas, on December 23, 2016, the United States Permanent Representative to the United Nations disregarded House Concurrent Resolution 165 and departed from long-standing United States policy by abstaining and permitting United Nations Security Council Resolution 2334 to be adopted under Chapter VI of the United Nations Charter, and Whereas, the United States' abstention on United Nations Security Council Resolution 2334 contradicts the Oslo Accords and its associated process that is predicated on resolving the Israeli-Palestinian conflict between the parties through direct, bilateral negotiations, and Whereas, United States Security Council Resolution 2334 claims that ``the establishment by Israel of settlements in the Palestinian territory occupied since 1967, including East Jerusalem, has no legal validity and constitutes a flagrant violation under international law and a major obstacle to the achievement of the two-State solution and a just, lasting and comprehensive peace,'' and Whereas, by referring to the ``4 June 1967 lines'' as the basis for negotiations, United Nations Security Council Resolution 2334 effectively states that the Jewish Quarter of the Old City of Jerusalem and the Western Wall, Judaism's holiest site, are ``occupied territory,'' thereby equating these sites with outposts in the West Bank that the Israeli government has deemed illegal, and Whereas, passage of United Nations Security Council Resolution 2334 effectively legitimizes efforts by the Palestinian Authority to impose its own solution through international organizations and unjustified boycotts or divestment campaigns against Israel by calling ``upon all States, bearing in mind paragraph 1 of this resolution, to distinguish, in their relevant dealings, between the territory of the State of Israel and the territories occupied since 1967:'' and will require the United States and Israel to take effective action to counteract the resolution's potential harmful impacts, and Whereas, United Nations Security Council Resolution 2334 did not directly call upon Palestinian leadership to fulfill their obligations toward negotiations or mention that part of the eventual Palestinian state is currently controlled by Hamas, a designated terrorist organization, and Whereas, United Nations Security Council Resolution 2334 sought to impose or unduly influence solutions to final- status issues and is biased against Israel: Now, therefore, be it Resolved by the House of Representatives of the State of Florida, That the Florida House of Representatives finds: (1) The passage of United Nations Security Council Resolution 2334 undermined the long-standing position of the United States to oppose and veto United Nations Security Council resolutions that seek to impose solutions to final- status issues or are one-sided and anti-Israel, reversing decades of bipartisan agreement. (2) The passage of United Nations Security Council Resolution 2334 undermines the prospect of Israelis and Palestinians resuming productive, direct, bilateral negotiations. (3) The passage of United Nations Security Council Resolution 2334 contributes to the politically motivated acts of boycotting, divesting from, and sanctioning Israel and represents a concerted effort to extract concessions from Israel outside of direct, bilateral negotiations between the Israelis and Palestinians, which must be actively rejected. (4) Any future measures taken by any organization, including the United Nations Security Council, to impose an agreement or parameters for an agreement will set back the peace process, harm the security of Israel, contradict the enduring bipartisan consensus on strengthening the United States-Israel relationship, and weaken support for such organizations. (5) A durable and sustainable peace agreement between Israel and the Palestinians is only possible with direct, bilateral negotiations between the parties resulting in a Jewish, democratic state living next to a demilitarized Palestinian state in peace and security. (6) The United States government should work to facilitate serious, direct, unconditional negotiations between the parties toward a sustainable peace agreement. (7) The United States government should oppose and veto future one-sided, anti-Israel United Nations Security Council resolutions that seek to impose solutions to final-status issues. That the Florida House of Representatives opposes and requests the repeal or fundamental alteration of United Nations Security Council Resolution 2334 so that the resolution: (1) Is no longer one-sided and anti-Israel. (2) Authorizes all final-status issues toward a two-state solution to be resolved through direct, bilateral negotiations between the parties involved. Be it further Resolved That copies of this resolution be presented to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Clerk of the United States House of Representatives, and the Israeli Embassy in Washington, D.C for transmission to the proper authorities of the State of Israel as a tangible token of the sentiments expressed herein. \_\_\_\_ POM-94. A resolution adopted by the House of Representatives of the State of Florida opposing United Nations Security Council Resolution 2334 and requesting its repeal or fundamental alteration; to the Committee on Foreign Relations. House Resolution 281 Whereas, the United States has long supported a negotiated settlement leading to a sustainable two-state solution with the democratic, Jewish state of Israel and a demilitarized, democratic Palestinian state living side-by-side in peace and security, and Whereas, since 1993, the United States has facilitated direct, bilateral negotiations between both parties toward achieving a two-state solution and ending all outstanding claims, and Whereas, it is the long-standing policy of the United States that a peaceful resolution to the Israeli-Palestinian conflict will only come through direct, bilateral negotiations between the two parties, and Whereas, it was the long-standing position of the United States to oppose and, if necessary, veto United Nations Security Council [[Page S5109]] resolutions dictating additional binding parameters on the peace process, and Whereas, it was also the long-standing position of the United States to oppose and, if necessary, veto one-sided or anti-Israel United Nations Security Council resolutions, and Whereas, the United States has stood in the minority internationally over successive administrations in defending Israel in international forums, including vetoing one-sided resolutions in 1995, 1997, 2001, 2002, 2003, 2004, 2006, and 2011 before the United Nations Security Council, and Whereas, the United States recently signed a new memorandum of understanding with the Israeli government regarding security assistance, consistent with long-standing support for Israel among successive administrations and Congresses and representing an important United States commitment toward Israel's qualitative military edge, and Whereas, on November 29, 2016, the United States House of Representatives unanimously passed House Concurrent Resolution 165, expressing and reaffirming long-standing United States policy in support of a direct, bilaterally negotiated settlement of the Israeli-Palestinian conflict and in opposition to United Nations Security Council resolutions that impose a solution to the conflict, and Whereas, on December 23, 2016, the United States Permanent Representative to the United Nations disregarded House Concurrent Resolution 165 and departed from long-standing United States policy by abstaining and permitting United Nations Security Council Resolution 2334 to be adopted under Chapter VI of the United Nations Charter, and Whereas, the United States' abstention on United Nations Security Council Resolution 2334 contradicts the Oslo Accords and its associated process that is predicated on resolving the Israeli-Palestinian conflict between the parties through direct, bilateral negotiations, and Whereas, United Nations Security Council Resolution 2334 claims that ``the establishment by Israel of settlements in the Palestinian territory occupied since 1967, including East Jerusalem, has no legal validity and constitutes a flagrant violation under international law and a major obstacle to the achievement of the two-State solution and a just, lasting and comprehensive peace,'' and Whereas, by referring to the ``4 June 1967 lines'' as the basis for negotiations, United Nations Security Council Resolution 2334 effectively states that the Jewish Quarter of the Old City of Jerusalem and the Western Wall, Judaism's holiest site, are ``occupied territory,'' thereby equating these sites with outposts in the West Bank that the Israeli government has deemed illegal, and Whereas, passage of United Nations Security Council Resolution 2334 effectively legitimizes efforts by the Palestinian Authority to impose its own solution through international organizations and unjustified boycotts or divestment campaigns against Israel by calling ``upon all States, bearing in mind paragraph 1 of this resolution, to distinguish, in their relevant dealings, between the territory of the State of Israel and the territories occupied since 1967,'' and will require the United States and Israel to take effective action to counteract the resolution's potential harmful impacts, and Whereas, United Nations Security Council Resolution 2334 did not directly call upon Palestinian leadership to fulfill their obligations toward negotiations or mention that part of the eventual Palestinian state is currently controlled by Hamas, a designated terrorist organization, and Whereas, United Nations Security Council Resolution 2334 sought to impose or unduly influence solutions to final- status issues and is biased against Israel; Now, therefore, be it Resolved by the House of Representatives of the State of Florida: That the Florida House of Representatives finds: (1) The passage of United Nations Security Council Resolution 2334 undermined the long-standing position of the United States to oppose and veto United Nations Security Council resolutions that seek to impose solutions to final- status issues or are one-sided and anti-Israel, reversing decades of bipartisan agreement. (2) The passage of United Nations Security Council Resolution 2334 undermines the prospect of Israelis and Palestinians resuming productive, direct, bilateral negotiations. (3) The passage of United Nations Security Council Resolution 2334 contributes to the politically motivated acts of boycotting, divesting from, and sanctioning Israel and represents a concerted effort to extract concessions from Israel outside of direct, bilateral negotiations between the Israelis and Palestinians, which must be actively rejected. (4) Any future measures taken by any organization, including the United Nations Security Council, to impose an agreement or parameters for an agreement will set back the peace process, harm the security of Israel, contradict the enduring bipartisan consensus on strengthening the United States-Israel relationship, and weaken support for such organizations. (5) A durable and sustainable peace agreement between Israel and the Palestinians is only possible with direct, bilateral negotiations between the parties resulting in a Jewish, democratic state living next to a demilitarized Palestinian state in peace and security. (6) The United States government should work to facilitate serious, direct, unconditional negotiations between the parties toward a sustainable peace agreement. (7) The United States government should oppose and veto future one-sided, anti-Israel United Nations Security Council resolutions that seek to impose solutions to final-status issues. That the Florida House of Representatives opposes and requests the repeal or fundamental alteration of United Nations Security Council Resolution 2334 so that the resolution: (1) Is no longer one-sided and anti-Israel. (2) Authorizes all final-status issues toward a two-state solution to be resolved through direct, bilateral negotiations between the parties involved; and be it further Resolved, That copies of this resolution be presented to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Clerk of the United States House of Representatives, and the Israeli Embassy in Washington, D.C , for transmission to the proper authorities of the State of Israel as a tangible token of the sentiments expressed herein. \_\_\_\_ POM-95. A resolution adopted by the House of Representatives of the State of Louisiana recognizing the Natchitoches Tribe of Louisiana as an Indian tribe; to the Committee on Indian Affairs. House Resolution No. 227 Whereas, the Indian Removal Act of 1830 forced many Indians living east of the Mississippi River to sell their lands and move to less fertile lands on a Western reservation that would not be taken from them; and Whereas, the five tribes most affected by the Indian Removal Act of 1830 through the loss of lives, homes, and land were the Chickasaw, Creek, Choctaw, Seminole, and Cherokee; and Whereas, the Indian Removal Act of 1830 caused Indians living in the South to embark on what became known as the ``Trail of Tears'' from 1830 to 1842; and Whereas, as a result of the Indian Removal Act of 1830, many small groups of the five tribes escaped and crossed the Mississippi River into Louisiana and settled near the central and western part of Louisiana in the present-day parishes of Rapides, Vernon, Natchitoches, and Calcasieu, which was referred to as ``No Man's Land'' or ``Rio Hondo''; and Whereas, the Natchitoches Tribe of Louisiana exists today, and the tribe has full documentation of bloodlines of all tribal members, as well as many documented sources regarding the activities of the tribe; and Whereas, it is imperative that the state of Louisiana recognize Indian tribes within its borders, to support their tribal aspirations, to preserve their cultural heritage and improve their economic conditions, and to assist them in the achievement of their just rights: Therefore, be it Resolved, That the House of Representatives of the Legislature of Louisiana does hereby recognize the Natchitoches Tribe of Louisiana as an Indian tribe of the state; be it further Resolved, That the Congress of the United States and the United States Bureau of Indian Affairs are hereby memorialized, requested, and urged to take such steps as are necessary to effect the formal recognition of the Natchitoches Tribe of Louisiana as an Indian tribe, and to acknowledge that the rights of the Natchitoches Tribe of Louisiana are no less than those of other Indian tribes in the United States, and, accordingly, to take such executive or congressional action as may be appropriate; and be it further Resolved, That copies of this Resolution be transmitted to the president of the United States, the presiding officers of the Senate and the House of Representatives of the Congress of the United States, each member of the Louisiana congressional delegation, and the director of the Bureau of Indian Affairs, United States Department of the Interior. \_\_\_\_ POM-96. A joint resolution adopted by the Legislature of the State of New Mexico rescinding three previous applications to the United States Congress to call a convention to propose amendments to the United States Constitution; to the Committee on the Judiciary. House Joint Resolution 10 Whereas, Article 5 of the United States constitution reads in part as follows: ``the Congress . . . on the Application of the Legislatures and two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States''; and Whereas, in 1951, the legislature of New Mexico passed House Joint Resolution Number 12 to make an application to the United States congress to call a convention to propose specified amendments to the United States constitution; and Whereas, in 1965, the legislature of New Mexico passed Senate Joint Resolution Number 2 to make an application to the United States congress to call a convention to propose a specified amendment to the United States constitution; and Whereas, in 1976, the legislature of New Mexico passed Senate Joint Resolution 1 to make an application to the United States congress to call a convention to propose a specified amendment to the United States constitution; Now, therefore, be it [[Page S5110]] Resolved, By the Legislature of the State of New Mexico that House Joint Resolution Number 12, passed in the first session of the twentieth legislature of the state of New Mexico, Senate Joint Resolution Number 2, passed in the first session of the twenty-seventh legislature of the state of New Mexico, and Senate Joint Resolution 1, passed in the second session of the thirty-second legislature of the state of New Mexico, be rescinded; and be it further Resolved, That copies of this resolution be transmitted, within thirty days of its passage, to the speaker of the United States house of representatives, the clerk of the United States house of representatives, the president of the United States senate, the secretary of the United States senate and the members of the New Mexico congressional delegation; and be it further Resolved, That a request be hereby made that the official journals and record of the senate and the house of representatives of the United States congress include the resolution or a notice of its receipt. \_\_\_\_ POM-97. A resolution adopted by the General Assembly of the State of New Jersey condemning the United States Executive Order concerning immigration and the firing of the Acting Attorney General, and supporting legal action by other states against the immigration ban; to the Committee on the Judiciary. Assembly Resolution No. 138 Whereas, President Donald Trump signed an Executive Order on January 27, 2017 selectively banning entry of immigrants and nonimmigrants from seven Muslim-majority countries: Iran, Iraq, Libya, Somalia, Sudan, Syria, and Yemen for 90 days; suspending refugee admission for 120 days; and barring all Syrian refugees from entering the United States indefinitely; and Whereas, the ban reportedly has resulted in individuals with legal resident status and valid visas being denied entry into the United States, many of whom have been trapped overseas and separated from their families; and Whereas, those reportedly denied entry include children, students and professors of United States institutions of higher education, employees of United States corporations, and Iraqis who have worked with the United States military against militant extremist groups in their own country; and Whereas, the states of Washington and Minnesota have challenged the ban in federal court on the grounds that it violates the equal protection, establishment, and due process clauses of the United States Constitution and the federal Immigration and Nationality Act of 1965; and Whereas, Judge Robart of the Federal District Court in Seattle, Washington issued a temporary nationwide restraining order halting the President's Executive Order; and Whereas, President Trump's reaction was to immediately ridicule the Judge referring to him as a ``so-called Judge''; and Whereas, the President's action disrespects the separation of powers which forms the basis of our government; and Whereas, more than 15 Attorneys General have filed an amicus brief supporting the court's temporary stay against the Executive Order; and Whereas, nearly 100 United States corporations have filed an amicus brief opposing the President's immigration ban, arguing that American workers and the economy will suffer; and Whereas, the President of the United States fired the Acting Attorney General of the United States for refusing to defend the Executive Order, as she was not convinced the Executive Order was lawful, and as such, not consistent with her responsibility to uphold the laws of the United States; and Whereas, firing the Acting Attorney General for upholding her oath of office sends a negative message to top-level federal Executive Branch employees, likely having a chilling effect on their willingness to speak truth to power and uphold their responsibilities; and Whereas, the immigration ban is arbitrarily directed at those adhering to one specific religion, violating one of the United States Constitution's most fundamental tenets, the freedom of religion; and Whereas, the United States has always been a nation that welcomes and protects those seeking to practice their religious beliefs without fear of government interference or persecution; and Whereas, the United States is a nation of immigrants, built by those seeking a better life for themselves, their families, and generations to follow; and Whereas, the State of New Jersey, home to Ellis Island, celebrates the diversity of our residents and takes pride in the contributions made to our great State by immigrants, past and present, who came to our shores ``yearning to breathe free''; and Whereas, a brief has been filed by former Central Intelligence Agency and Department of State officials countering the President's national security arguments, claiming the ban ``could do long-term damage to our national security and foreign policy interests, endangering U.S troops in the field and disrupting counterterrorism and national security partnerships. It will aid ISIL's propaganda effort and serve its recruitment message by feeding into the narrative that the United States is at war with Islam. It will hinder relationships with the very communities that law enforcement professionals need to address the threat''; and Whereas, approximately 900 United States Department of State diplomats have signed a dissent memo opposing the President's ban as it ``stands in opposition to the core American and constitutional values that we, as federal employees, took an oath to uphold''; and Whereas, the memo cautions that the ban ``will immediately sour relations'' with governments that are ``important allies and partners in the fight against terrorism, regionally and globally''; and Whereas, in addition to the ban being ill-conceived and mean-spirited, the processes associated with the ban were mismanaged, including the reported failure to allow for legal review by the Department of Homeland Security; and Whereas, the mismanagement extended to the implementation of the ban which resulted, in part, in individuals being detained in airports across the country and, despite an order to do so by a New York District Judge, the federal government has yet to ***produce*** a list of these individuals; now, therefore, be it Resolved, By the General Assembly of the State of New Jersey: 1. This House condemns the Executive Order signed by President Trump suspending immigration for 90 days from seven Muslim-majority countries; suspending all refugee admissions into the United States for 120 days; and indefinitely barring all Syrian refugees from entering the United States. 2. This House condemns the firing of the Acting Attorney General for refusing to enforce the ban which she deemed unlawful. 3. This House extends its support to the states of Washington and Minnesota in their legal fight against the President's immigration ban. 4. This House urges the New Jersey Attorney General to join his fellow Attorneys General in their amicus brief supporting a federal district court's stay of the ban. 5. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly to the President and Vice President of the United States, the Majority and Minority Leader of the United States Senate, the Speaker and Minority Leader of the United States House of Representatives, every member of Congress elected from New Jersey, and the New Jersey Attorney General. \_\_\_\_ POM-98. A resolution adopted by the Senate of the Commonwealth of Pennsylvania urging the United States Congress to reauthorize the Rohrabacher-Farr amendment to prevent the United States Department of Justice from spending funds to interfere with the implementation of state medical marijuana laws; to the Committee on the Judiciary. Senate Resolution No. 36 Whereas, The Rohrabacher-Farr amendment prevents the United States Department of Justice from spending funds to interfere with the implementation of state medical marijuana laws; and Whereas, The Rohrabacher-Farr amendment does not change the status of marijuana with respect to Federal law; and Whereas, The Rohrabacher-Farr amendment states, ``None of the funds made available in this Act to the Department of Justice may be used, with respect to any of the States of Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, and Wisconsin, or with respect to either the District of Columbia as Guam, to prevent any of them from implementing their own laws that authorize the use, distribution, possession, or cultivation of medical marijuana''; and Whereas, On December 16, 2014, the Rohrabacher-Farr amendment was initially signed into Federal law as part of an omnibus spending bill; and Whereas, On December 18, 2015, the Rohrabacher-Farr amendment was reauthorized as part of the fiscal year 2016 Federal omnibus appropriations bill; and Whereas, In September 2016, the Rohrabacher-Farr amendment was reauthorized again as a part of a short-term spending bill; and Whereas, The Rohrabacher-Farr amendment must be reauthorized each fiscal year in order to remain in effect; and Whereas, The Rohrabacher-Farr amendment expires on April 28, 2017; therefore be it Resolved, That the Senate of the Commonwealth of Pennsylvania urge the Congress of the United States to reauthorize the Rohrabacher-Farr amendment to prevent the United States Department of Justice from spending funds to interfere with the implementation of state medical marijuana laws; and be it further Resolved, That a copy of this resolution be sent to the President of the United States, the presiding officers of each house of Congress and to each member of Congress from Pennsylvania. \_\_\_\_ POM-99. A joint resolution adopted by the Legislature of the State of New Mexico rescinding three previous applications to the United States Congress to call a convention to propose amendments to the United States Constitution, to the Committee on the Judiciary. [[Page S5111]] House Joint Resolution 10 Whereas, Article 5 of the United States constitution reads in part as follows: ``the Congress . . . on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States''; and Whereas, in 1951, the legislature of New Mexico passed House Joint Resolution Number 12 to make an application to the United States congress to call a convention to propose specified amendments to the United States constitution; and Whereas, in 1965, the legislature of New Mexico passed Senate Joint Resolution Number 2 to make an application to the United States congress to call a convention to propose a specified amendment to the United States constitution; and Whereas, in 1976, the legislature of New Mexico passed Senate Joint Resolution 1 to make an application to the United States congress to call a convention to propose a specified amendment to the United States constitution: Now, therefore, be it Resolved by the legislature of the State of New Mexico That House Joint Resolution Number 12, passed in the first session of the twentieth legislature of the state of New Mexico, Senate Joint Resolution Number 2, passed in the first session of the twenty-seventh legislature of the state of New Mexico, and Senate Joint Resolution 1, passed in the second session of the thirty-second legislature of the state of New Mexico, be rescinded; and be it further Resolved, That copies of this resolution be transmitted, within thirty days of its passage, to the speaker of the United States house of representatives, the clerk of the United States house of representatives, the president of the United States senate, the secretary of the United States senate and the members of the New Mexico congressional delegation; and be it further Resolved, That a request be hereby made that the official journals and record of the senate and the house of representatives of the United States congress include the resolution or a notice of its receipt. \_\_\_\_ POM-100. A joint resolution adopted by the Legislature of the State of New Mexico rescinding three previous applications to the United States Congress to call a convention to propose amendments to the United States Constitution; to the Committee on the Judiciary. House Joint Resolution 10 Whereas, Article 5 of the United States constitution reads in part as follows: ``the Congress . . . on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States''; and Whereas, in 1951, the legislature of New Mexico passed House Joint Resolution Number 12 to make an application to the United States congress to call a convention to propose specified amendments to the United States constitution; and Whereas, in 1965, the legislature of New Mexico passed Senate Joint Resolution Number 2 to make an application to the United States congress to call a convention to propose a specified amendment to the United States constitution; and Whereas, in 1976, the legislature of New Mexico passed Senate Joint Resolution 1 to make an application to the United States congress to call a convention to propose a specified amendment to the United States constitution; Now, therefore, be it Resolved by the Legislature of the State of New Mexico that House Joint Resolution Number 12, passed in the first session of the twentieth legislature of the state of New Mexico, Senate Joint Resolution Number 2, passed in the first session of the twenty-seventh legislature of the state of New Mexico, and Senate Joint Resolution 1, passed in the second session of the thirty-second legislature of the state of New Mexico, be rescinded; and be it further Resolved, That copies of this resolution be transmitted, within thirty days of its passage, to the speaker of the United States house of representatives, the clerk of the United States house of representatives, the president of the United States senate, the secretary of the United States senate and the members of the New Mexico congressional delegation; and be it further Resolved, That a request be hereby made that the official journals and record of the senate and the house of representatives of the United States congress include the resolution or a notice of its receipt. \_\_\_\_ POM-101. A resolution adopted by the House of Representatives of the State of Louisiana memorializing the United States Congress to take such actions as are necessary to investigate the current condition of economic development in the State of Louisiana concerning the Revitalizing Auto Communities Environmental Response Trust's fulfillment of fiduciary duties regarding the former General Motors Shreveport plant and operations; to the Committee on the Judiciary. A Resolution To memorialize the United States Congress to take such actions as are necessary to investigate the current condition of economic development in the state of Louisiana concerning the Revitalizing Auto Communities Environmental Response Trust's (hereinafter ``RACER Trust'') fulfillment of fiduciary duties regarding the former General Motors Shreveport plant (hereinafter ``GM-Shreveport plant'') and operations. Whereas, perpetual declining sales and employment loss led to the 2009 bankruptcy of the General Motors Corporation, and by 2012, a complete cessation of automobile manufacturing at the former GM-Shreveport plant, which for more than thirty years was a generator of jobs and economic opportunity in the state of Louisiana; and Whereas, the bankruptcy of General Motors was not an ordinary business bankruptcy; rather, it was orderly and structured in a way to facilitate General Motors' ability to be absolved of certain environmental and tax liabilities; and Whereas, this included a cash infusion from the federal government to the benefit of General Motors, and General Motors' consideration for the properties left behind to be leveraged in the public's general and equitable interests, with such interests defined and directed toward the replacement of lost jobs; and Whereas, according to a Report to Congressional Committees issued by the United States Government Accountability Office, the Department of the Treasury (Treasury) ``provided unprecedented support to two of the nation's three largest auto manufacturers--General Motors and Chrysler--after deteriorating economic conditions resulted in a dramatic decline in auto sales and significant financial losses to these companies''; and Whereas, ``through the Automotive Industry Financing ***Program*** (AIFP) under the Troubled Asset Relief ***Program*** (TARP), Treasury committed $62 billion to help GM and Chrysler continue operating while restructuring into more viable companies''; and Whereas, the website of the RACER Trust explains that after the bankruptcy of General Motors, ``the RACER Trust was created in March 2011 by the U.S Bankruptcy Court'' and equipped with ``nearly $500 million...received at the time of the Trust's establishment'' to ``clean up and position for redevelopment the properties and other facilities owned by the former General Motors Corporation''; and Whereas, such properties and facilities to be included for clean up and revitalization necessarily include the former GM-Shreveport plant; and Whereas, during February 2013, the RACER Trust and Elio Motors entered into a Purchase and Sale Agreement whereby Elio Motors was expected to acquire from the RACER Trust all of the property, both movable and immovable property, relative to the former GM-Shreveport plant; however, Elio Motors purchased only the movable property and as such, entered into a Security Agreement with the RACER Trust in the amount of twenty-three million dollars to acquire the movable property; and Whereas, circumstances changed regarding the sale of all of the former GM-Shreveport plant to Elio Motors; instead, the immovable property of the plant was purchased by the Caddo Parish Industrial Development Board; and Whereas, at the request of the Caddo Parish Industrial Development Board, a parent company known as Industrial Realty Group first purchased the immovable property of the former GM-Shreveport plant and immediately resold this same property to the Caddo Parish Industrial Development Board; and Whereas, the Caddo Parish Industrial Development Board then leased the immovable property back to Industrial Realty Group; and Whereas, as the lessee and property manager of the former GM-Shreveport plant, Industrial Realty Group next subleased a portion of the plant to Elio Motors; and Whereas, Elio Motors assumed the plant as a sublessee during the latter part of 2013 and was expected to manufacture automobiles, stimulate economic growth, and create approximately one thousand five hundred jobs by the end of 2015; and Whereas, since 2013 and currently, Elio Motors is not engaged in automobile manufacturing at the former GM- Shreveport plant, and as a result, related economic development and stimulated growth in this state have not materialized as projected and desired; and Whereas, with the present and future state of the former GM-Shreveport plant subject to the direction and actions of Industrial Realty Group and Elio Motors, the House Committee on Commerce was interested to hear the testimony of certain stakeholders to identify and expound upon the circumstances, challenges, and barriers surrounding automobile manufacturing and the anticipated accompanying job growth; and Whereas, pursuant to House Resolution No. 37 of the 2016 Second Extraordinary Session, the House Committee on Commerce met in Shreveport, Louisiana, on October 26, 2016, to do all of the following: (1) Study the state of the automotive manufacturing industry in the state of Louisiana since the onset of the most recent worldwide economic turndown that began in 2008. (2) Investigate and report on the activities of the RACER Trust in the state of Louisiana. [[Page S5112]] (3) Tour and assess the current condition and circumstances of any Louisiana based properties either currently or previously under the control and supervision of the RACER Trust in the state of Louisiana. (4) Take testimony from local, regional, and state officials and economic development stakeholders regarding barriers and obstacles impacting the ability to effectively market facilities either currently or previously under the control of the RACER Trust; and Whereas, though representatives were present to testify, the representatives were not parties to nor directly privy to the process of negotiations between the RACER Trust, Industrial Realty Group, the Department of Economic Development, the Caddo Parish Commission, and the Caddo Parish Industrial Development Board; and Whereas, the RACER Trust's commitment of the former GM- Shreveport plant to Industrial Realty Group and Elio Motors is a matter of vital concern regarding the economic development in this state, not solely due to the lack of automobile manufacturing on behalf of Elio Motors, but because prior to this divestment, in a letter dated November 14, 2013, the Department of Economic Development and the North Louisiana Economic Partnership expressed concern to the RACER Trust regarding the transaction; and Whereas, despite the value of the assets encompassed within the former GM-Shreveport plant, the RACER Trust is believed to have provided the Caddo Parish Commission with only the following two options in consideration for the eventual fate of the former GM-Shreveport plant: (1) Committal of the former GM-Shreveport plant to Industrial Realty Group. (2) Complete demolition of the plant; and Whereas, it is a matter of state interest and concern that the prospect of the former GM-Shreveport plant's demise may have actually been a false threat used as a catalyst to urge the Caddo Parish Commission and other local and state economic development officials to support and commit the former GM-Shreveport plant into the contractual care of Industrial Realty Group and Elio Motors; and Whereas, the assets of the former GM-Shreveport plant possess great potential to be a source of real opportunity for economic growth and job creation in Louisiana, but although publicly owned, no provisions or mechanisms for federal or local oversight are in place to rectify this agreement made in furtherance of the state's economic development that has not materialized to provide an economic benefit to this state; and Whereas, in light of the dire circumstances surrounding the former GM-Shreveport plant, the state is compelled, and requests the United States Congress in its constitutional power, to investigate the process of negotiations which resulted in Industrial Realty Group's and Elio Motors' attainment of the former GM-Shreveport plant, per the recommendation of the federally created RACER Trust: Now, therefore, be it Resolved, That the House of Representatives of the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to investigate the current condition of economic development in the state of Louisiana, relative to the RACER Trust's fulfillment of fiduciary duties concerning the former GM- Shreveport plant and operations; and be it further Resolved, That a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the Congress of the United States of America and to each member of the Louisiana congressional delegation. \_\_\_\_ POM-102. A joint resolution adopted by the General Assembly of the State of Maryland rescinding any and all prior applications by the General Assembly to the United States Congress to call a convention to propose amendments to the United States Constitution, pursuant to the terms of Article V; to the Committee on the Judiciary. Joint Resolution No. 2 Whereas, The Constitution of the United States has been, since its creation in 1787, the bulwark of American liberty and strength. It was the first written national Charter to clearly set forth the respective duties and powers of the Chief Executive, the Legislature, and the Judiciary, and is the basis of America's checks and balances system of government, assuring the rule of the majority while protecting the rights of the minority. It provides for the peaceful resolution of our basic political disputes and allows for an orderly succession of political leaders without bloodshed or revolution; and Whereas, Since its ratification, the Constitution has been amended 27 times, each time by the proposal of an amendment by the Congress, often on initial petition by the states and always with subsequent ratification by the requisite number of state legislatures. Despite wrenching debate, political turmoil, and many grave political and economic problems-- including the Great Depression--our nation has not had another Constitutional Convention since 1787; and Whereas, The first Convention was called to make revisions to the Articles of Confederation and decided instead to discard that governmental system altogether and create an entirely new and extremely different one. In recent years, we have heard such diverse proposals as the elimination of portions of the Bill of Rights or granting the President the power to dissolve Congress; and Whereas, Although historical records maintained by the State and the Library of Congress are incomplete and in some instances unclear as to the final disposition of legislation proposed by the General Assembly to initiate a call to Congress for a Constitutional Convention, it is reported that the Maryland General Assembly has passed several such calls for a Constitutional Convention since the 1930s These calls include: (1) House Resolution (1939) (unconfirmed) calling for limitations on the federal taxing power; (2) House Joint Resolution 40 (1964) calling for standards concerning the size and boundaries of congressional districts; (3) Senate Joint Resolution 1 (1965) calling for legislative autonomy concerning the apportionment of State legislative bodies; (4) Senate Resolution 47 (1973) (unconfirmed), a memorial from the Senate of Maryland calling for the allowance of school prayer in public schools; and (5) Senate Joint Resolution 4 (1975) calling for a balanced federal budget. It is generally believed that these calls never expire, and current generations are now bound by decisions made in a different time and culture. The need to advance these various policy reforms should be debated anew, and not bind future generations without any consideration; now, therefore, be it Resolved, By the General Assembly of Maryland, That this body does hereby rescind, repeal, cancel, void, nullify, and supersede any and all prior applications by the General Assembly to the Congress of the United States of America to call a convention to propose amendments to the Constitution of the United States of America, whether or not the calls are confirmed by the historical records maintained by the State or the Library of Congress, pursuant to the terms of Article V thereof, regardless of when and regardless of whether such applications were for a more limited convention to propose one or more amendments regarding one or more specific subjects and purposes or for a general convention to propose an unlimited number of amendments upon an unlimited number of subjects; and be it further Resolved, That the General Assembly urges the legislatures of each and every state which has applied to Congress to call a convention for either a general or limited Constitutional Convention to repeal and withdraw such applications; and be it further Resolved, That a copy of this Resolution be forwarded by the Department of Legislative Services to the Honorable Lawrence J. Hogan, Jr., Governor of Maryland; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; and the Honorable Michael E. Busch, Speaker of the House of Delegates; and be it further Resolved, That certified copies of this Joint Resolution be sent by the Secretary of State to: (1) the Honorable Michael R. Pence, Vice President of the United States, President of the United States Senate, Suite S-212, United States Capitol Building, Washington, D.C 20510; the Honorable Orrin Hatch, President Pro Tempore of the United States Senate, 104 Hart Office Building, Washington, D.C 20510; and the Honorable Paul D. Ryan, Speaker of the United States House of Representatives, 1233 Longworth House Office Building, Washington, D.C 20515; and (2) the Maryland Congressional Delegation: Senators Benjamin L. Cardin and Christopher Van Hollen, Jr., Senate Office Building, Washington, D.C 20510; and Representatives Andrew P. Harris, C. A. Dutch Ruppersberger III, John P. Sarbanes, Anthony G. Brown, Steny Hamilton Hoyer, John Delaney, Elijah E. Cummings, and Jamie Raskin, House Office Building, Washington, D.C 20515; and (3) the Honorable David S. Ferriero, Archivist of the United States, National Archives and Records Administration, 709 Pennsylvania Avenue, N.W , Washington, D.C 20408; and (4) the Honorable Julie E. Adams, Secretary of the United States Senate, United States Capitol Building, Suite S-312, Washington, D.C 20510; the Honorable Elizabeth MacDonough, Parliamentarian of the United States Senate, United States Capitol Building, Suite 5-133, Washington, D.C 20510; the Honorable Karen L. Haas, Clerk of the United States, House of Representatives, Suite H-154, United States Capitol Building, Washington, D.C 20515; and the Honorable Thomas J. Wickham, Jr., Parliamentarian of the United States, House of Representatives, Room H-209, United States Capitol Building, Washington, D.C 20515, requesting that they publish this Joint Resolution in the Congressional Record and list this application in the official tally of state legislative applications that repeal and withdraw any prior application by a state legislature that calls for the Congress of the United States of America to call a convention to propose amendments to the Constitution of the United States, pursuant to the terms of Article V thereof, regardless of when and regardless of whether such applications were for a more limited convention to propose one or more amendments regarding one or more specific subjects and purposes or for a general convention to propose an unlimited number of amendments upon an unlimited number of subjects. \_\_\_\_ POM-103. A joint resolution adopted by the General Assembly of the State of Maryland rescinding any and all prior applications by the General Assembly to the United States Congress to call a convention to propose amendments to the United States Constitution, pursuant to the terms of Article V, to the Committee on the Judiciary. [[Page S5113]] Joint Resolution No. 0003 Whereas, The Constitution of the United States has been, since its creation in 1787, the bulwark of American liberty and strength. It was the first written national Charter to clearly set forth the respective duties and powers of the Chief Executive, the Legislature, and the Judiciary, and is the basis of America's checks and balances system of government, assuring the rule of the majority while protecting the rights of the minority. It provides for the peaceful resolution of our basic political disputes and allows for an orderly succession of political leaders without bloodshed or revolution; and Whereas, Since its ratification, the Constitution has been amended 27 times, each time by the proposal of an amendment by the Congress, often on initial petition by the states and always with subsequent ratification by the requisite number of state legislatures. Despite wrenching debate, political turmoil, and many grave political and economic problems-- including the Great Depression--our nation has not had another Constitutional Convention since 1787; and Whereas, The first Convention was called to make revisions to the Articles of Confederation and decided instead to discard that governmental system altogether and create an entirely new and extremely different one. In recent years, we have heard such diverse proposals as the elimination of portions of the Bill of Rights or granting the President the power to dissolve Congress; and Whereas, Although historical records maintained by the State and by the Library of Congress are incomplete and in some instances unclear as to the final disposition of legislation proposed by the General Assembly to intiate a call to Congress for a Constitutional Convention, it is reported that the Maryland General Assembly has passed several such calls for a Constitutional Convention since the 1930s. These calls include: (1) House Resolution (1939) (unconfirmed) calling for limitation on the federal taxing power; (2) House Joint Resolution 40 (1964) calling for standards concerning the size and boundaries of congressional districts; (3) Senate Joint Resolution 1 (1965) calling for legislative autonomy concerning the apportionment of State legislative bodies; (4) Senate Resolution 47 (1973) (unconfirmed), a memorial from the Senate of Maryland calling for the allowance of school prayer in public schools; and (5) Senate Joint Resolution 4 (1975) calling for a balanced federal budget. It is generally believed that these calls never expire, and current generations are now bound by decisions made in a different time and culture. The need to advance these various policy reforms should be debated anew, and not bind future generations without any consideration; now, therefore, be it Resolved by the General Assembly of Maryland, That this body does hereby rescind, repeal, cancel, void, nullify, and supersede any and all prior applications by the General Assembly to the Congress of the United States of America to call a convention to propose amendments to the Constitution of the United States of America, whether or not the calls are confirmed by the historical records maintained by the State or the Library of Congress, pursuant to the terms of Article V thereof, regardless of when and regardless of whether such applications were for a more limited convention to propose one or more amendments regarding one or more specific subjects and purposes or for a general convention to propose an unlimited number of amendments upon an unlimited number of subjects; and be it further Resolved, That the General Assembly urges the legislatures of each and every state which has applied to Congress to call a convention for either a general or limited Constitutional Convention to repeal and withdraw such applications; and be it further Resolved, That a copy of this Resolution be forwarded by the Department of Legislative Services to the Honorable Lawrence J. Hogan, Jr., Governor of Maryland; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of Maryland; and the Honorable Michael E. Busch, Speaker of the House of Delegates; and be it further Resolved, That certified copies of this Joint Resolution be sent by the Secretary of State to: (1) the Honorable Michael R. Pence, Vice President of the United States, President of the United States Senate, Suite S-212, United States Capitol Building, Washington, D.C 20510; the Honorable Orrin Hatch, President Pro Tempore of the United States Senate, 104 Hart Office Building, Washington, D.C 20510; and the Honorable Paul D. Ryan, Speaker of the United States House of Representatives, 1233 Longworth House Office Building, Washington, D.C 20515; and (2) the Maryland Congressional Delegation: Senators Benjamin L. Cardin and Christopher Van Hollen, Jr., Senate Office Building, Washington, D.C 20510; and Representatives Andrew P. Harris, C.A Dutch Ruppersberger III, John P. Sarbanes, Anthony G. Brown, Steny Hamilton Hoyer, John Delaney, Elijah E. Cummings, and Jamie Raskin, House Office Building, Washington, D.C 20515; and (3) the Honorable David S. Ferriero, Archivist of the United States, National Archives and Records Administration, 709 Pennsylvania Avenue, N.W , Washington, D.C 20408; and (4) the Honorable Julie E. Adams, Secretary of the United States Senate, United States Capitol Building, Suite S-312, Washington, D.C 20510; the Honorable Elizabeth MacDonough, Parliamentarian of the United States Senate, United States Capitol Building, Suite S-133, Washington, D.C 20510; the Honorable Karen L. Haas, Clerk of the United States House of Representatives, Suite H-154, United States Capitol Building, Washington, D.C 20515; and the Honrable Thomas J. Wickham, Jr., Parliamentarian of the United States House of Representatives, Room H-209, United States Capitol Building, Washington, D.C 20515, requesting that they publish this Joint Resolution in the Congressional Record and list this application in the offical tally of state legislative applications that repeal and withdraw any prior application by a state legislature that calls for the Congress of the United States of America to call a convention to propose amendments to the Constitution of the United States, pursuant to the terms of Article V thereof, regardless of when and regardless of whether such applications were for a more limited convention to propose one or more amendments regarding one or more specific subjects and purposes or for a general convention to propose an unlimited number of amendments upon an unlimited number of subjects. \_\_\_\_ POM-104. A resolution adopted by the General Assembly of the State of New Jersey opposing action by the President of the United States to rescind the Deferred Action for Childhood Arrivals (DACA) policy, to the Committee on the Judiciary. Assembly Resolution No. 210 Whereas, New Jersey has long been a welcoming home for immigrants from around the world and appreciates the valuable contributions immigrants make to our State and our nation; and Whereas, New Jersey's immigrant population includes undocumented immigrants who have come to the United States in pursuit of the American dream and to build a better life for themselves and their families, and Whereas, Many of these families include children who were brought to New Jersey at a very young age and were raised and educated in the State, and Whereas, In 2013, the New Jersey Legislature passed Senate Bill No. 2479, informally referred to as the New Jersey Dream Act, to ensure that these children have access to affordable higher education by allowing them to qualify for in-State tuition rates at public institutions of higher education, and Whereas, The New Jersey Dream Act bill, in its original form, also permitted these students to apply for State student financial aid ***programs***; and Whereas, Governor Chris Christie conditionally vetoed the New Jersey Dream Act based on his objections to the section of the bill that allowed undocumented students to participate in State student financial aid ***programs***, and asked the Legislature to remove that provision; and Whereas, The Legislature, in order to provide tuition equality for these students, concurred with the terms of Governor Christie's conditional veto, and Whereas, Without eligibility for State student financial aid ***programs***, many of these students need to work to afford the cost of a college education, and Whereas, As a result of Governor Christie's conditional veto and in order to continue their pursuit of higher education, many of these students registered with the federal Deferred Action for Childhood Arrivals (DACA) ***program***, a policy implemented under President Barack Obama's Administration. Under DACA, the federal government agreed to exercise its prosecutorial discretion to defer deportation of undocumented immigrants brought to the United States as children and allowed these students to qualify for employment authorization in the United States, and Whereas, President Donald Trump was sworn into office on January 20, 2017 and is expected to rescind DACA, exposing these students to the threat of immediate deportation, and Whereas, Such action by President Trump would punish young men and women who followed the proper course of action in registering for DACA so that they could pursue their higher education, and Whereas, These students have spent their formative years in the United States and know only America as their home, pay taxes and contribute to our economy as hard-working employees, and add rich diversity to our schools through class participation and campus ***programs***; and Whereas, Rescinding the DACA policy would deprive the State of the many contributions of these students: Now, therefore, be it Resolved, By the General Assembly of the State of New Jersey: 1. This House opposes any action by President Donald Trump to rescind the Deferred Action for Childhood Arrivals (DACA) policy. 2. This House further urges Governor Chris Christie, given that his conditional veto of the New Jersey Dream Act bill led many of these students to register for DACA, to use all power within his means to urge President Trump to leave DACA intact so that these New Jersey students are not subject to immediate deportation to a country they have never known and so that these students may continue to work and pursue their higher education 3. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly to the President and Vice-President of the United States, the Governor of this State, the Majority and Minority Leaders of the United States Senate, the Speaker and Minority [[Page S5114]] Leader of the United States House of Representatives, and every member of Congress elected from this State. \_\_\_\_ POM-105. A resolution adopted by the Fish and Game Commission of the State of California supporting the existing four California national marine sanctuaries, their boundaries, and legal protections; strongly and unequivocally supporting the current federal prohibition on new oil or gas drilling in federal waters offshore California; opposing attempts to modify the prohibition, and considering any appropriate actions to maintain the prohibition; to the Committee on Energy and Natural Resources. POM-106. A resolution adopted by the City Council of the City of Lakeport, California urging the President of the United States, the Secretary of the Interior, and the Secretary of ***Agriculture*** to protect the Berryessa Snow Mountain National Monument and the economic, historical, cultural, and ecological values which it provides, and to honor and protect the integrity of all National Monuments as they have been designated by Presidents of the United States since 1906; to the Committee on Energy and Natural Resources. POM-107. A resolution adopted by the Lauderdale Lakes City Commission, Lauderdale Lakes, Florida recommending that the Affordable Care Act be maintained, particularly those provisions regarding pre-existing conditions and coverage for children up to the age of 26 years, for at least a work-in- period of ten (10) years, in order to give the citizens and other covered persons the opportunity to make the necessary adjustments consequent of reduced coverage; to the Committee on Finance. POM-108. A resolution adopted by the Mayor and City Commission of the City of Miami Beach, Florida opposing the President of the United States's withdrawal of the United States from the Paris Climate Agreement; honoring and upholding the City's commitment to the policies, goals, and standards set forth in the Paris Climate Agreement; reaffirming the City's role as a global urban leader in efforts to reduce greenhouse gas emissions, mitigate the impacts of human activities that contribute to climate change, and enhance resiliency; and respectfully urging Governor Rick Scott and the Florida Legislature to join the growing list of states seeking to meet or exceed the goals of the Paris Climate Agreement; to the Committee on Foreign Relations. POM-109. A resolution adopted by the Lauderdale Lakes City Commission, Lauderdale Lakes, Florida expressing support for the Paris Climate Accord and expressing an intent to symbolically join with other local governments to adopt, honor and uphold the commitments to the goals enshrined in the Paris Climate Accord; to the Committee on Foreign Relations.

**Load-Date:** September 13, 2017

**End of Document**



[***Meeting with Government members***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P2D-9BN1-JDVR-01P8-00000-00&context=1516831)

Emerging Markets Brokers Reports - Russia

July 19, 2017 Wednesday 12:00 AM EEST

Copyright 2017 SeeNews All Rights Reserved



**Length:** 3953 words

**Byline:** SeeNews

**Body**

Vladimir Putin held a meeting with Government members.

President of Russia Vladimir Putin: Good afternoon colleagues.

Today, we will discuss an issue of great importance for practically every Russian family - how we can use information technology to improve access to medical care and medicines.

But first, I would like to ask Mr Manturov to say a few words about how the INNOPROM exhibition is proceeding. We saw its start recently. How are things now?

Minister of Trade and Industry Denis Manturov: Mr President, let me begin by thanking you, on behalf of all Russian industry, for taking part in this event.

This exhibition has become Russia's principle industrial forum. Digitalisation in industry was the main theme of this year's event and we had a large number of IT companies taking part, even more than from manufacturing sectors. This shows that digitalisation is taking place in all economic sectors without exception and in industry as well, of course.

More than 650 companies took part in the exhibition. This year, we had a record number of visitors - more than 50,000 people from 98 countries.

Next year, South Korea will have the status of partner country for the event. We ***plan*** to expand the exhibition space and we hope that this will attract new companies. This is also a good rehearsal for Yekaterinburg's bid to host EXPO-2025. The bid is built around the theme of accessible innovation for our children and future generations.

We are counting on support from you and Mr Medvedev. We will soon establish an organising committee and appoint a chairperson. Given our country's experience in organising and hosting big events, I am certain that we can do an excellent job of hosting EXPO-2025 in Yekaterinburg.

Vladimir Putin: Who else is bidding - Osaka and Paris?

Denis Manturov: Osaka, Paris and Baku.

Vladimir Putin: Well, you will have to work at it.

Denis Manturov: We will do our best.

Vladimir Putin: We have launched additional ***programmes*** for car loans at preferential rates, starting July 11. Could you give us a bit more detail on this, please?

Denis Manturov: Yes, Mr President. Since the beginning of this year, we have been carrying out a whole range of measures to support the automotive industry. As ***planned***, starting on July 11, we launched five new ***programmes*** for car loans. We have the First Car and Family Car ***programmes*** (these groups of buyers will be eligible for an additional discount of up to 10 percent). Then there are similar ***programmes*** for preferential vehicle leasing, Russian Truck, Russian Farmer, and My Business. These three ***programmes*** aim primarily at small and medium businesses. We have raised the discount on the first payment from 10 to 12.5 percent of the vehicle's cost.

We hope that these ***programmes*** will make it possible to sell more Russian-made vehicles, at least 85,000 by the end of the year. Overall, the different ***programmes*** in this sector aim to ensure production of around 670,000 vehicles by the end of the year.

So far, everything is going to ***plan***. More than 360,000 Russian-made vehicles have already been ***produced*** and sold with state support.

Vladimir Putin: Good. You can make a detailed analysis of the ***programme***'s results later.

In 2011, we abolished licenses for some types of road transportation, including bus transportation, and since then we have seen a steadily growing number of accidents involving buses. The first half of this year saw a significant increase in accidents even compared to last year. What is your assessment of the situation and what do you think we need to do right now? Mr Sokolov, you have the floor.

Transport Minister Maxim Sokolov: Mr President,

It is true, overall, the number of road accidents has decreased, but the situation with bus transportation darkens the picture. Over the first half of 2017, accidents were up nearly 1.5-fold compared to the previous period.

In 2015, we adopted the Federal Law on organising regular road and municipal electric-powered vehicle passenger and baggage transportation. This law was a contributing factor to bringing down the number of accidents caused by driver error on regular bus routes by 13 percent. This was the case for regular routes, but for irregular bus services, we see that the number of accidents during transportation for personal or professional needs has increased by 63 percent. Of particular concern here is the fact that 40 percent of these road accidents are committed by people who do not have a business status, in other words, uncertified individuals rather than organisations professionally involved in passenger transportation.

This year, unfortunately, several headline-making road accidents have already taken place, in Trans-Baikal Territory and Tatarstan, for example. We responded immediately. In mid-June at the Transport Ministry and on July 13 at the Interior Ministry, together with [transport safety supervisory body] Rostransnadzor, we had telephone conferences with the heads of all regions and gave instructions to take urgent measures to reduce the number of passenger transport accidents on our roads.

Last year, the Interior Ministry and Rostransnadzor identified more than 1000 illegal transport service providers, opened 26 criminal cases for unlawful business activity, and 500 criminal cases for providing services that do not meet safety demands. Nevertheless, we think this is not enough.

You noted quite rightly that since 2011, when passenger transportation licensing for chartered transport or personal needs was abolished, there has been a steady increase in the number of accidents in this sector. To address this issue, the Transport Ministry has drafted and submitted to the Government a draft federal law making the relevant amendments to the current law on licensing and restoring licenses for all types of road passenger transport vehicles equipped for the transportation of eight or more people. This draft law is currently going through expert evaluation. We think that it will ensure the same conditions for all bus drivers and shippers carrying out regular, irregular, charter transportation and transportation for personal needs.

Also pursuant to your instructions, the Ministry of Transport has drafted a federal law amending the law on road safety, which establishes uniform traffic safety requirements for commercial carriers. We now have the same requirements for legal entities and individuals with regard to mounting tachographs on vehicles. Currently, if a bus is owned by an individual, installing a tachograph is not mandatory, since the number of working hours is not an issue in this case. However, we believe this does not make sense, because the safety of passengers depends on this, and it does not matter which bus gets into an accident, whether it is owned by an individual or a legal entity, that is, an organisation.

This draft law was adopted by the State Duma in the first reading in late 2016. Mr President, we would like you to issue a directive to have the second and the third readings held as soon as possible, so that the draft becomes law and this requirement comes into force.

Speaking about tachographs, many accidents are caused by drivers either falling asleep or getting distracted at the wheel. Over 550,000 buses have been equipped with tachographs and over 23,000 controller cards have been issued. All regions now have the corresponding infrastructure to install and maintain such tachographs. There are over 500 service points accepting tachograph card applications. If we see this system through to its logical completion, and all carriers start using them, then, according to experts, this will reduce the number of accidents involving buses by at least 15 percent.

Vladimir Putin: At INNOPROM, we saw various modern, comfortable, and efficient devices that monitor the physical condition of drivers. Of course, the issue is about cost and implementation, but, of course, we must follow this path. Look at what is available there.

Maxim Sokolov: Yes, that is true, Mr President. Safety comes at a cost, but it is worth paying special attention to this issue, and we are willing to develop an appropriate regulatory framework, which would make such devices mandatory for all those who engage in commercial passenger operations.

Vladimir Putin: Mr Gorovoy, do you have anything to add?

First Deputy Interior Minister Alexander Gorovoy: Mr President, the Interior Ministry and the Transport Ministry were involved in drafting these federal laws. The statistics show a need, in our opinion, in passing these laws.

I can provide two relevant figures. Four of the last seven accidents involving buses were caused by drivers falling asleep at the wheel. I am not anticipating or announcing the results of the investigations; this is a preliminary picture of what we found at the accident scenes. The second figure is that of the 115 passengers who died because of bus drivers' errors, 39 were killed at the moment when we think the drivers fell asleep.

I am fully aware that these draft laws will give us an additional tool, but at the same time, I realise the responsibility for prevention and better results of our oversight activity.

On July 13, together with the heads of the regional road safety commissions and Rostransnadzor, we had a telephone conference with all regions. In the meantime, waiting for these laws to come into effect, if they are passed, we are taking the necessary measures. We have coordinated our posts and teams with bus routes and abolished the order the Interior Ministry issued five years ago prohibiting us from stopping vehicles outside of stationary posts. Our country's geography and transportation logistics show that this was a mistake on our part when we drafted those laws. If there are violations to rules on working hours and rest time, passenger buses, including and primarily chartered ones, will be stopped and drivers will be given a chance to rest.

We foresee some negative feedback from passengers, but after working a month under the new rules, I believe we will be able to encourage all businesses to follow the demands of Transport Ministry regulation 25 concerning drivers' work-rest routine.

I would like to note that in Moscow alone we have 2,300 buses coming into the city, carrying out charter passenger transportation. They are not subject to any checks by dispatchers, and passengers board the buses outside the city's bus stations. We have turned to Rostransnadzor and by August 15, we will inspect the implementation of Federal Law 220 on organising passenger transportation and will provide consolidated information to the Prosecutor General's Office and the regional prosecutors' offices.

The school year is approaching, and we have 19,400 schools around the country organising school bus transportation with a fleet of 22,500 buses. We will inspect these buses and drivers as well. Once again, Mr President, we are aware of our responsibility and we will focus efforts on addressing this sad increase by 21 percent in the number of passengers killed as a result of bus drivers' errors.

This ends my report.

Vladimir Putin: Fine.

We will return to this issue some time later. For now, please tell me how things are going.

This year the weather has not been good for rural residents. In this context, here is a question to Mr Tkachev: how is harvesting progressing?

Minister of ***Agriculture*** Alexander Tkachev: Mr President, colleagues,

A few words about the harvest. Low temperatures in a number of regions delayed harvesting by two weeks. However, farmers are actively taking in the harvest from fields. They have collected the first 20 million tonnes. This is a bit less than by the same time last year - 20 percent less. Nonetheless, the results in the south (Rostov, Kuban, and Stavropol, where I was yesterday) show that the crop yield will be higher and the quality of grain is fairly good.

So far, crop failure has been minimal although bad weather made it difficult to work in the fields almost in all regions. The south of Russia and the Volga area were hit by heavy rain, frost and hail. Soil is waterlogged throughout Central Russia. The rates of field work have slowed down beyond the Urals, in Siberia and the Far East due to floods and waterlogging.

The only threat we are facing today is that the bad weather will last through autumn, in which case it will be difficult to take in the crop. If it is fairly dry in autumn - September and October are vital for the Urals and Siberia - we can hope to harvest more than 105 million tonnes of grain this year. This is less than last year but enough for domestic consumption - about 70 million tonnes, including 20 million tonnes of food, 40 million tonnes of fodder, and 10 million tonnes of seeds. Another 35 million tonnes may be used for export.

We expect despite the losses that the harvest of vegetables and fruit will be at the level of last year, primarily owing to the construction of new hothouses and the fruiting of new gardens. Cold weather and rains delayed the planting of many vegetables - cabbage, potatoes and carrots. This is why the new domestic crop was late to come to the market. Therefore, bad weather explains the additional price hike in June above the typical seasonal increase in prices.

Usually, price hikes are the highest in May - domestic ***produce*** is in short supply while imports are the highest. This year prices became stable only in late June. A seven percent decline in prices was registered on July 17, when the first crops from the south of the country arrived at the shops. Vegetable prices will be much lower in August-September and the situation will be fully stabilised.

In order to minimise seasonal price fluctuations over the coming years, we need to build more vegetable storage facilities that would make it possible to use Russian ***produce*** until the summer harvest. The Government State ***Programme*** makes provisions for state support for building and modernising storage facilities for potatoes, vegetables and fruit. Last year, we built and modernised storage facilities with a total capacity of 250,000 tonnes at a time. Now, we have a capacity of around 7 million tonnes, and we need around another five million. We ***plan*** to bring facilities for about another 2 million tonnes into operation by 2020, which will reduce the storage deficit by half.

We want to carry out this ***programme*** not with federal and regional budget funding alone though, but to get outside investors involved as well. This is something we discussed with the Economic Development Ministry and the Central Bank. We will get private pension funds involved in this work, which will protect us from the effects of adverse weather in the future.

Thank you.

Vladimir Putin: How much new vegetable storage capacity do you ***plan*** to build and in what timeframe?

Alexander Tkachev: We ***plan*** to build around 2 million tonnes by 2020.

Vladimir Putin: Around 2 million by 2020?

Alexander Tkachev: That is right, by 2020. But we still need to build another 2 million-2.5 million tonnes, and so this will require another 3-5 years.

Vladimir Putin: So, there is still a shortage of storage capacity?

Alexander Tkachev: Yes. Mr President, we never seriously addressed this issue in the past, as you know very well. Only over these past two years, with state support, the Government has started working actively with farmers and agribusiness companies. Economic Development Minister Maxim Oreshkin recently came to the ***Agriculture*** Ministry and we decided to bring in additional funding from extra-budgetary sources to speed up the implementation of this ***programme***.

Vladimir Putin: Good, thank you.

Let us now turn to the main item on our agenda today - using information technology to improve access to medical care and medicines.

You know that back in March, the meeting of the Council for ***Strategic*** Development and Priority Projects considered ways to improve the healthcare system, including the need to actively introduce digital technology into this sphere, which will open up fundamentally new possibilities for medical doctors and, most importantly, significantly improve the level of medical care in our country.

The task of computerising hospitals and outpatient clinics, as well as connecting them to high-speed internet, was also set in the Address to the Federal Assembly. I would like to hear how this work is progressing.

Notably, many medical organisations already make active use of electronic documents, electronic medical records and electronic doctor appointments. Telemedicine services are expanding. We are aware that, unfortunately, there are issues, including, strangely enough, with organising this kind of digital work. Let us discuss this, as well.

To reiterate, all of this will help the patients, regardless of their place of residence, to get qualified medical care, and doctors will be relieved of unnecessary paperwork, and spend more time focusing on the patients.

Today, the State Duma is considering, in the second reading, a draft law that should form a regulatory framework for the functioning of a unified information system in healthcare. I hope that this important document will soon be adopted, and I would like you to provide a clear deadline for completing the implementation of this system.

Next, the Government has already considered the issue of establishing a system for monitoring and controlling the procurement of medicines for public and municipal needs. It should reduce prices and streamline budget spending, which means that the state will be able to provide free medicines to a larger number of eligible patients.

I would like to emphasise that access to free medicines is one of the most acute issues. This issue was raised, as you may be aware, during the Direct Line with the President, and the Minister of Healthcare and I have also discussed it. I am sure people in the regions put these questions to you as they do to me at various events. I would like the Government to focus on ways to resolve this issue.

As far as we know, the drug procurement monitoring and control system has been in test mode since March. It should start running full-scale in January 2018. It is important to make this system fully operational, and make sure the bidders are fully accountable for the accuracy and reliability of the data they put into the system.

Let us work through this issue thoroughly.

Ms Skvortsova, you have the floor.

Healthcare Minister Veronika Skvortsova: Mr President, colleagues,

Using digital medical technology is particularly important for developing healthcare and enhancing access, quality and effectiveness of healthcare. Digital medicine is thus one of our priority ***strategic*** development projects and one of the Digital Economy ***programme***'s five main components.

Mr President, as you have said, you outlined in your Annual Address the priority steps for developing digital technology in the healthcare sector as related to overseeing the market of vitally important medicines and preventing price hikes when hospitals and medical centres make their purchases. This way we can increase the number of people eligible for state-subsidised medicines; improve working conditions for doctors, particularly in primary medical care, by cutting the time they spend on matters not related to their primary activity, and introduce convenient services for interaction between the public and medical organisations.

Acting on your instructions to improve the provision of medicines and reduce inefficient spending in the regions, the Healthcare Ministry and state corporation Rostec have developed and launched the experimental operation of an information and analytical system for the monitoring and oversight of state and municipal medicine purchases.

To develop a new purchase management model, the Healthcare Ministry put together a structured reference book and catalogue of medicines based on state registers, registered medicines, and maximum sale prices. Together with the relevant federal bodies - the Treasury, the Finance Ministry, and the Federal Antimonopoly Service, we integrated the new information and analysis system with the unified purchasing information system. Essentially, the catalogue of medicines is now integrated into the purchasing system. This makes it possible to rapidly analyse information on purchase ***planning*** and based on tender results. The system calculates average market prices for similar purchases of international non-patented and trademark medicines and identifies any deviations from these averages.

Pursuant to your instructions of March 1, this system is now working in trial mode, collecting data, and, at the same time, working through some of the technical subtleties of the system's functioning. To date, the system has registered 29,400 executed contracts for 22,200 trademark medicines worth a total of 20.6 billion rubles. Today, we can already see the average prices in real time, including in terms of ***producers***, suppliers and state customers for medicines.

The ***plan*** provides for putting the system into commercial operation on January 1. To make this possible we must adopt some normative acts this year. The main one is the law you mentioned, Mr President. This is the law on a single healthcare information system on the country's entire territory. One of its components is information and analytical monitoring of purchases. This law will also introduce regulations in electronic document management and telemedicine.

On June 15, the law passed its first reading. Now it has been submitted for the second reading and for us it is extremely important to adopt this law during the spring session.

(The Minister went on to list specific legal acts and resolutions of the Government, which should be adopted to ensure the functioning of the information and analysis system.)

Further development of the information and analysis system is related to its integration with other segments of the Single State Healthcare Information System, which will make it possible to track the entire process of pharmaceutical support: from checking the accuracy of medical prescriptions based on clinical recommendations to assessing the amounts of leftover medicines in medical institutions, pharmacies and warehouses. A relevant pilot project on providing two regions - St Petersburg and Sverdlovsk Region - with oncological medicines was launched this year in cooperation with the company Biokad.

We are also ***planning*** to integrate the information and analysis system with the automated monitoring of the movement of medicines on the basis of their marking, which will allow us to quickly find low-grade and counterfeit products, recall them from the market and, most importantly, prevent their repeated return to it, that is, the resale of expensive medicines bought on government money for preferential provision.

As for other components of digital medicine, in 2014 we summed up the results of the modernisation ***programme*** in this area and adopted a ***plan*** for developing regional medical information systems. In 2015, the Healthcare Ministry signed an agreement on the regional ***plan*** for healthcare information support for three years with every region of the Russian Federation. The aim of these agreements was to even out regional differences on information support by late 2018.

\*\*\*\*\*

The information contained herein is provided on an "AS IS" basis and to the maximum extent permitted by applicable law. AII Data Processing does not endorse in any way, the views, opinions or recommendations expressed above. The use of the information is subject to the terms and conditions as published by the original source, which you have to read and accept in full prior to the execution of any actions taken in reliance on information contained herein.

**Load-Date:** July 20, 2017

**End of Document**



[***-WB-Philippines' Poverty Rate Declines; More Well-Paying Jobs and Opportunities Needed***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SFD-PPY1-F0K1-N105-00000-00&context=1516831)

ENP Newswire

May 30, 2018 Wednesday

Copyright 2018 Normans Media Limited All Rights Reserved



**Length:** 634 words

**Body**

With solid economic fundamentals, the Philippines is well-placed to speed up poverty reduction.

The challenge is to provide more economic opportunities, which would help many more people earn higher and stable incomes.

These are among the key findings of the report titled Making Growth Work for the Poor: A Poverty Assessment for the Philippines released today by the World Bank.

From 2006 to 2015, the latest available data, the report says that robust economic growth helped the poverty rate in the Philippines to fall by 5 percentage points. Poverty declined from 26.6 percent in 2006 to 21.6 percent in 2015, due to factors like the expansion of jobs outside ***agriculture***, government transfers, in particular to qualified poor Filipinos through the Pantawid Pamilyang Pilipino ***Program***, and remittances.

'This experience gives us hope that the Philippines can overcome poverty,' said Mara K. Warwick, World Bank Country Director for Brunei, Malaysia, Philippines, and Thailand. 'With a strong economy, the country is well-placed to end the vicious cycles of unequal opportunity that trap people in poverty, set in place measures to improve service delivery, and boost job opportunities.'

In 2015, some 22 million Filipinos-more than one-fifth of the population-still live below the national poverty line. Constraints to achieving faster poverty reduction, according to the report, include the less pro-poor pattern of growth; high inequality of income and opportunities; and the adverse impacts of natural disasters and conflict.

Most poor Filipinos have low levels of education and live in large households headed by individuals who are self-employed or work in ***agriculture*** as laborers or smallholder ***producers***. The poorest households are those dependent on ***agriculture*** as their main source of income and most of them live in the countryside, in areas prone to disasters or in the conflict-affected areas of Mindanao.

'Making a difference in Mindanao makes a big difference to the Philippines. Increasing public investment in Mindanao to boost development there would expand opportunities for conflict-affected communities, broaden access to services and create more and better jobs,' said Xubei Luo, Senior Economist at the World Bank's Poverty and Equity Global Practice.

Inequitable investment in human capital and insufficient well-paying job opportunities trap the poor in poverty across generations, the report explains. High concentrations of wealth constrain equal opportunities and access to services, which are necessary for inclusive growth. Natural disasters disproportionately and repeatedly batter the poorest regions of the country, miring them in higher levels of poverty.

The government has prepared ***strategic*** ***plans*** focused on reducing poverty, specifically AmBisyon 2040, a long-term vision to bring down poverty and improve the lives of the poorest segments of the population, and the Philippine Development ***Plan*** 2017-2022.

These ***plans*** target reducing poverty to 13 to 15 percent by 2022. To help achieve these targets, the Poverty Assessment recommends the following policy directions:

Create more and better jobs;

Improve productivity in all sectors, especially ***agriculture***;

Equip Filipinos with skills needed for the 21st century economy;

Invest in health and nutrition;

Focus poverty reduction efforts on Mindanao; and

Manage disaster risks and protect the vulnerable.

Contact:

In Manila: David Llorito, +63-465-2514, [*dllorito@worldbank.org*](mailto:dllorito@worldbank.org)

For more information, please visit: [*www.worldbank.org/ph*](http://www.worldbank.org/ph)

Visit us on Facebook:   [*www.facebook.com/worldbank*](http://www.facebook.com/worldbank)

Be updated via Twitter:   [*www.twitter.com/worldbank*](http://www.twitter.com/worldbank)

For our YouTube channel:   [*www.youtube.com/worldbank*](http://www.youtube.com/worldbank)

To subscribe to our email updates, please go to   [*http://bit.ly/17RfZkK*](http://bit.ly/17RfZkK)

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** May 30, 2018

**End of Document**



[***Washington: EXECUTIVE CALENDAR--Continued***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PTJ-KCY1-F0YC-N4Y3-00000-00&context=1516831)

Impact News Service

October 26, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 43258 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 The PRESIDING OFFICER. The Senator from Louisiana. Tax Reform Mr. KENNEDY. Mr. President, as the Senate irons out the details of our comprehensive tax reform ***plan*** to get the American economy back on track, I want to draw attention today to what I believe is one of the greatest obstacles in our path as we pursue 3-percent annual growth. That obstacle I am referring to is our aging national infrastructure: our roads, our bridges, our airports, our water systems, our sewage systems, and our waterways that desperately need dredging, especially in my State.

If our tax ***plan*** is going to be pro-growth, then we need to take advantage of this once-in-a-generation chance to use Federal revenues to invest meaningfully in our economy. Allow me to explain what I mean by that. Federal investment in our roads, our bridges, our railways, and our waterways would be a shot in the arm for the American economy. It would pay dividends for decades. Companies need good roads and bridges and shipping channels to transport their products and to ensure that they aren't sitting in traffic for hours--sometimes it seems like days--which eats away at profits and raises costs for our people. But for too long, Washington's spending priorities have been to grow the Federal bureaucracy instead of growing our capacity for economic expansion and development through infrastructure upgrades. We know the result. Our Department of Transportation now estimates that we have a backlog of construction and repairs that would cost $926 billion to clear. It would cost nearly a trillion dollars, and that is just the backlog. I have a simple solution that I would respectfully suggest to get us back on track. According to the Congressional Research Service, $2.6 trillion in corporate profits made by American companies are parked overseas, and some outside estimates say $4 or $5 trillion. This money is overseas, and it will not be brought back to America as long as our antiquated corporate tax system is going to charge those American companies 35 percent in tax just to bring them back. Congress is already discussing repatriation as a part of the move to a territorial tax system, which would use a competitive tax rate to encourage companies to bring their dollars back to the United States and keep them here and invest them here in American products and American businesses and American employees. When tax reform passes--and it will--and we get a one-time surge in tax revenue as a result of this $3 to $5 trillion being brought back to the United States, we are going to get only one chance to spend that money wisely. Instead of blowing those repatriated dollars on an already bloated Federal bureaucracy, we ought to invest that money solely and exclusively in desperately needed infrastructure upgrades. Even a one-time target investment in clearing the industrial backlog will create jobs and stimulate the economy for decades. Let's face it, too many of American roads today are axle-breaking insults to the 21st century. They are holding our economy back. Let me be clear. We are talking about hundreds of billions of dollars flowing into infrastructure if we just make good use of those repatriated dollars. For example, just in my State of Louisiana, this could mean building a new bridge through Lake Charles. It could mean widening the interstate in Baton Rouge. It could mean closing the gaps in I-49 between Lafayette and Shreveport and New Orleans. We have neglected our highways and bridges for far too long, and this is our chance to use tax reform to catch up, to boost our international competitiveness, to lower costs for consumers, and to put our economy back on track to 3 percent-plus growth, which the American people expect and deserve. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. SHELBY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Cloture Motion Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state. The bill clerk read as follows: Cloture Motion We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the nomination of Scott L. Palk, of Oklahoma, to be United States District Judge for the Western District of Oklahoma. Mitch McConnell, Orrin G. Hatch, John Cornyn, Chuck Grassley, Thom Tillis, Pat Roberts, John Barrasso, Johnny Isakson, Roger F. Wicker, John Thune, Marco Rubio, James Lankford, Richard Burr, Steve Daines, Mike Crapo, John Boozman, James M. Inhofe. The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived. The question is, Is it the sense of the Senate that debate on the nomination of Scott L. Palk, of Oklahoma, to be United States District Judge for the Western District of Oklahoma, shall be brought to a close? The yeas and nays are mandatory under the rule. The clerk will call the roll. The bill clerk called the roll. Mr. DURBIN. I announce that the Senator from New Mexico (Mr. Heinrich), the Senator from Vermont (Mr. Leahy), and the Senator from New Jersey (Mr. Menendez) are necessarily absent. The PRESIDING OFFICER (Mr. Sullivan). Are there any other Senators in the Chamber desiring to vote? The yeas and nays resulted--yeas 79, nays 18, as follows: [Rollcall Vote No. 250 Ex.] YEAS--79 Alexander Baldwin Barrasso Bennet Blunt Boozman Brown Burr Cantwell Capito Cardin Carper Casey Cassidy Cochran Collins Coons Corker Cornyn Cotton Crapo Cruz Daines Donnelly Durbin Enzi Ernst Fischer Flake Franken Gardner Graham Grassley Hassan Hatch Heitkamp Heller Hoeven Inhofe Isakson Johnson Kaine Kennedy King Klobuchar Lankford Lee Manchin McCain McCaskill McConnell Moran Murkowski Murray Nelson Paul Perdue Peters Portman Reed [[Page S6782]] Risch Roberts Rounds Rubio Sasse Schumer Scott Shaheen Shelby Strange Sullivan Tester Thune Tillis Toomey Udall Warner Wicker Young NAYS--18 Blumenthal Booker Cortez Masto Duckworth Feinstein Gillibrand Harris Hirono Markey Merkley Murphy Sanders Schatz Stabenow Van Hollen Warren Whitehouse Wyden NOT VOTING--3 Heinrich Leahy Menendez The PRESIDING OFFICER. On this vote, the yeas are 79, the nays are 18. The motion is agreed to. The Senator from Oklahoma. Mr. LANKFORD. Mr. President, I rise to speak to the Senate about the nominee that is currently in front of this body and on whom we should vote in the next few hours. We just finished a cloture vote to actually start 30 hours of debate. In the past, we wouldn't have had 30 hours of debate for a district court nominee, especially a district court nominee like this. This would have been something that would have been done by consent. We would have had a vote on this individual, rather than burning up 30 hours of time in debate on a single individual who just passed a cloture vote 79 to 18. This is not a controversial nominee. Let me introduce you to Scott Palk. Scott Palk was actually reported out of the Judiciary Committee on June 15 of this year. He was nominated by President Trump on May 8. He has been pending since June 15 to get a vote on this floor because of the ongoing delays for each nominee as we go through the process. Why do I say Scott Palk is not a controversial nominee? It is not just the fact that he passed the cloture vote 79 to 18. Scott Palk, if you remember his name in this body, was also a nominee of President Obama for the U.S District Court for the Western District of Oklahoma. He is now a nominee of President Trump for the U.S District Court for the Western District of Oklahoma. There may be five things total that President Obama and President Trump agree on. Scott Palk is one of those five. This is not a controversial nominee, and he will be a great judge for us. He will also be a great judge in Western Oklahoma. He currently serves as the assistant dean for students and the assistant general counsel at the University of Oklahoma College of Law in Norman, OK, a position he has held since 2011. He has the strong support of the president of the University of Oklahoma, who happens to be former Senator David Boren, a Democratic Senator from this body, who is now leading the University of Oklahoma and has done that with great excellence for the past two decades. He is also strongly behind this nominee as well. Scott Palk joined the University of Oklahoma College of Law after 19 years of public service as a State and Federal prosecutor. He graduated in 1992 from the University of Oklahoma College of Law, where he began his legal career as a legal intern for the district attorney's office of district 21, serving in Cleveland, Garvin, and McClain Counties. After graduating and passing the bar, he became an assistant district attorney for Cleveland County, where he prosecuted a variety of crimes and death penalty cases. In 1994, he became the multicounty drug task force coordinator, initiating and directing the district's first wire- interception drug investigation and coordinating Federal and local resources, culminating in the successful prosecution of a significant multicounty methamphetamine distribution organization. The Association of Oklahoma Narcotics Enforcers awarded him the Prosecutor of the Year award in 1993. In 1992, he became the first assistant district attorney for district 21 and served in a dual prosecutorial and administrative role. In 2002, he joined the U.S attorney's office in the Western District of Oklahoma, where we are pushing him to be a judge now, as an assistant U.S attorney, prosecuting violent crimes, gangs, and domestic terrorism. In 2004, he became the deputy criminal chief of the U.S attorney's office and served in the additional roles of violent crime, national security coordinator, anti-terrorism, advisory council coordinator, and crisis management coordinator. That same year, in 2004, the Oklahoma Gang Investigators Association awarded him the Prosecutor of the Year award. The Executive Office for U.S Attorneys awarded him the Director's Award for Superior Performance. In 2005, the Drug Enforcement Administration awarded him the Certificate of Appreciation for Outstanding Contribution in the Field of Drug Law Enforcement. In his most recent role at the U.S attorney's office, he supervised administrative staff and assistant U.S attorneys, handling a criminal caseload primarily consisting of national security and organized crimes and coordinating efforts with the FBI Joint Terrorism Task Force, the FBI foreign counterintelligence squad, and the National Security Division of the Department of Justice. His work in national security matters included both traditional criminal investigations, as well as investigations utilizing provisions of the Foreign Intelligence Surveillance Act. In 2011, the FBI awarded him the Director's Certificate of Appreciation for Assistance to the Joint Terrorism Task Force. Scott Palk is eminently qualified for this task. He shouldn't be a controversial nominee, and he should already be a judge. We are missing three judges in the Western District of Oklahoma. President Trump nominated him on May 8, and it is now the end of October when we can finally get him to the floor to be able to move him. This delay tactic, this stalling tactic that is out there, this resist movement to try to prevent the President of the United States from getting his staff in every agency and to prevent judges from being able to actually go on the bench is delaying good people who are not controversial to be able do the job that is needed in each district. He is an individual who passed 79 to 18 on a cloture vote, and I am confident we will not consume the next 30 hours of debate about him. The hours will now expire as we sit in silence on the Senate floor, waiting for us to be able to have a final vote--just delays. I have made a proposal to my colleagues. It is not a radical proposal. Quite frankly, it was a proposal in 2013, first proposed by a Senator named Harry Reid: to be able to move the nominations time period from 30 hours of just wasted time on the Senate floor to 2 hours--2 hours for district court, 2 hours for the Deputy Assistant Secretary of whatever agency it may be, having 2 hours of debate. These are for individuals who have already gone through committee, already gone through extensive vetting, already moved to the floor, and who most certainly will pass because it is a simple majority to be able to move these individuals based on the change of rules that at that time Senator Reid led. Let's also do the same rule on time. Instead of 30 hours of wasted time on the floor when we could do other things for the American people, let's go back to the 2-hour agreement that we had in the past. It was a simple rule of 2 hours for individuals like for district courts and other individuals and agencies, 8 hours for higher tier individuals, who may be for a circuit court and such, and 30 hours for Cabinet officials. I don't think that is an unreasonable request to make. It is a rule that we have done in the past, and it is a rule that we need to go back to. The American people are frustrated with the block in timing on moving people, especially people with wide bipartisan support. No one understands why someone who President Obama nominated and President Trump nominated has to take up 30 hours of time on the floor on debate when no one will really debate him and it is certain what the outcome of these people will be. The American people are expecting us to debate and to engage on issues. I recommend again to this body: Let's go back to the Harry Reid rule--2 hours of debate for individuals like this in district courts, 8 hours of debate for higher tiered courts, and 30 hours of debate for Cabinet officials and the Supreme Court. We can do that again. We have done that in the past, and I recommend that we move back to that, not just for a single congressional body but as a change in the rules of the Senate, so that, permanently, we are able to be more functional again. A body that is [[Page S6783]] dysfunctional can be fixed by its own Members, moving us to a functional set of rules. That is what I hope we would achieve in the days ahead. I look forward to voting for Scott Palk, whenever we finish with a 30-hour clock of time--of wasted time--to be able to move on a nominee and to see wide bipartisan support again for a good nominee. Scott is going to do a great job on the bench. We need him there to be able to get started. I yield back. The PRESIDING OFFICER. The Senator from Washington. Mrs. MURRAY. Mr. President, I ask unanimous consent to speak as in morning business. The PRESIDING OFFICER. Without objection, it is so ordered. Healthcare Mrs. MURRAY. Mr. President, I come to the floor today to talk about what my bipartisan healthcare bill with Chairman Alexander means for the people we are all here to serve, what it means for patients and families in my home State of Washington and across the country who are worried about being able to afford the healthcare they need, and what it means for States and communities and hospitals that are administering and providing care. Negotiations of this magnitude are always tough. There are some things you agree on, and sometimes there is common ground that emerges early, but there is no question that you also find areas of strong disagreement. You have to work your way to each answer step by step. One issue that Chairman Alexander and I agreed on from the very start of our negotiations, where we worked our hardest, and what we had the most discussions on was the goal of putting patients and families first and that it would be families who would benefit as much as possible from our efforts to restore stability to our markets. That was the crux of our debate. It was our guiding star. I am very proud to say that our bipartisan bill does just that. Here is what is at stake. Here is what we know. Patients and families across the country are looking ahead to next year. They are rightly worried about their healthcare--premiums, benefits, and coverage--and they are realizing that they are about to pay the price for the uncertainty and partisanship we have seen on healthcare over the last 9 months. Like all of my colleagues, I have listened and I have talked with many of these families in my home State, at hospitals, schools, roundtables, and in meetings with patients, doctors, providers, and veterans. They have all made it very clear that enough is enough with playing politics with people's healthcare. Here is how our bipartisan bill would protect those families and restore certainty to the markets. I will not go into all of the details, of course, but I do want to focus on some really important points. First of all, this bill would restore the out-of-pocket cost reduction payments that President Trump has announced he will be ending for this year as well as for 2018 and 2019. This means that some serious sabotage--something that experts say would raise premiums by double digits for millions of families--would be off the table. Second, this bill would make significant investments when it comes to healthcare outreach and enrollment to make sure that families know about their insurance options. Third, this bill makes some changes to give our States more flexibility when it comes to developing ***plans*** and offering options while maintaining essential health benefits, like maternity care and protecting people with preexisting conditions or protecting the elderly--and all of this while making sure that costs go down for families and preventing insurers from doubledipping and padding their profits with both cost reduction payments and higher premiums. Put simply, this bill is an important step in the right direction of preventing premium increases, stabilizing healthcare, and pushing back against President Trump's recent actions. This bill reflects the input of patients, Governors, State commissioners, experts, and advocates, and it has strong support from a majority here in the Senate. So far, 24 Senators--12 Democrats and 12 Republicans--have cosponsored this bill. I know there are a lot of others who agree that we need to act and that we must do so in our working together under regular order, as with our bill, rather than doubling down on partisanship and dysfunction. I am focused on moving our bill forward as quickly as possible, and I certainly hope that the majority leader will listen to the Members on both sides of the aisle who also want this bill to be brought up for a vote without delay. Let me be clear. As this bill moves forward, I am certainly open to changes that expand access to quality care, put families ahead of insurers, and maintain those core patient protections that I have been clear all along have to be protected. I am certainly not interested in changing our bipartisan agreement to move healthcare in the wrong direction. Chairman Alexander and I have a record of seeing tough legislation through to the end together, whether that is K-12 education, FDA user fees, mental health reform, or opioid use disorders, which is why I am confident that we can do the same with this stabilization bill. We have negotiated a strong agreement that has the support of 60 Senators, and the support is growing. The President has also expressed his support for our effort, so I see no reason why we should not move this bill through the Senate, get it signed into law, and then continue the bipartisan discussion on healthcare in the country. I will also take some time to talk about another pressing healthcare challenge, and that is the immediate need to extend Federal funding for the historically bipartisan, expired primary care cliff ***programs***, like the Community Health Center Fund, the National Health Service Corps, and, of course, the Children's Health Insurance ***Program***, or CHIP. It has now been almost 25 days since the Federal funding of these primary care cliff ***programs*** and CHIP were allowed to expire by the Republican majority, and in that time, I have heard from thousands of people in my State and nationwide who are urging Congress to act. Each day that passes is a day that we are failing to meet our commitment to these families and putting the health and well-being of nearly 9 million children, including more than 60,000 children in my home State of Washington and the 25 million patients who, at great harm and great risk, get care from the community health centers. In Washington State, as in so many other States, notices to families about gaps in their children's healthcare are about to go out as soon as December 1, and in my State, we will run out of Federal funds for CHIP in November. Let me be clear. Parents in my home State and across the country should not be up at night, worrying about their children's healthcare because Congress cannot get the job done. That is so unacceptable. There is a bipartisan deal in the Senate right now that was negotiated between the chairman and ranking member of the Finance Committee that would provide certainty for this vital ***program***. I understand that extreme House Republicans have chosen, instead, to take an irresponsible path in their trying to ram through a partisan bill that will jeopardize the efforts in the Senate and in the House to come to an agreement as soon as possible. To be clear, this delay has not been without serious consequences, but we can still act. It is up to Republican leaders now to reverse course, come to the table, and join with Democrats to get this done. It should not have to be said, but there should not be any place for partisanship or politics when it comes to protecting the children and families we represent. I hope that we get this done and get it done quickly, and I hope that all of our Members will move forward on this. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. ALEXANDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. [[Page S6784]] Mr. ALEXANDER. Mr. President, I see the Senator from New Hampshire on the floor. I ask through the Presiding Officer if she is about to speak or if I may speak after her. What I would like to do is to give a brief report on the Congressional Budget Office's report of the Alexander- Murray proposal, of which the Senator from New Hampshire is a cosponsor. I would like to do that either before or after she speaks. Either way would be fine. The PRESIDING OFFICER. The Senator from New Hampshire. Mrs. SHAHEEN. Mr. President, my understanding is that Senator Cornyn was about to come to the floor, but I would be happy to have the Senator give the CBO report on this legislation, which I very enthusiastically support. The PRESIDING OFFICER. The Senator from Tennessee. Mr. ALEXANDER. Mr. President, in respecting Senator Cornyn's prerogative, I will stop when he comes to the floor. I believe that Senator Murray has come to the floor and has reported that the Congressional Budget Office has just finished an evaluation of the Alexander-Murray proposal to the U.S Senate that would be for the purpose of reducing premiums and avoiding chaos in the individual insurance markets during the years 2018 and 2019. The Senator from New Hampshire is a strong sponsor of that legislation. It is unusual, in fact, that it has 12 Republican Senators and 12 Democratic Senators. Not many pieces of legislation come to the floor with that support. The reason we accelerated work on it was that President Trump called me and asked me to work with Senator Murray to try to develop such a proposal. So now it is being considered by the President, by the House of Representatives, and by other Members of this body. An important piece of information, as Senator Murray has said, is what the Congressional Budget Office writes about the impact of our proposal on the Federal taxpayers and on the consumers across the country. President Trump has been very clear on one thing he wants, which is that we do not bail out insurance companies if, in 2018, we pay cost- sharing payment reductions, which are payments to pay for deductibles and copays for low-income Americans. I 100 percent agree with President Trump on that, and Senator Murray 100 percent agrees with President Trump on that. We have language in our proposal to make sure that benefits go to consumers and to taxpayers and not to insurance companies. We asked the Congressional Budget Office to review that, and this is what it wrote: ``On net, CBO and the staff of the Joint Committee on Taxation (JCT) estimate that implementing the legislation would reduce the deficit by $3.8 billion over the 2018-2027 period relative to CBO's baseline.'' In other words, the Alexander-Murray proposal would reduce Federal spending by $3.8 billion. Not only does it not cost anything, but it saves the taxpayers money. They then wrote a second thing, and this is quoting the Congressional Budget Office: ``CBO and JCT expect that insurers in almost all areas of the country would be required to issue some form of rebate to individuals and the federal government.'' Let me say that again. This is the CBO talking, the nonpartisan Congressional Budget Office, with respect to the Alexander-Murray proposal that has been cosponsored by a total of 24 Senators--12 Republicans, 12 Democrats: ``CBO and JCT expect that insurers in almost all areas of the country would be required to issue some form of rebate to individuals and the federal government.'' The Congressional Budget Office has found that our proposal benefits taxpayers and consumers, not insurance companies. The specific benefit to the taxpayers is $3.8 billion. The exact benefit to consumers has not been determined yet because that will be done State by State. Under our proposal, every State would come up with a ***plan*** to say, in 2018, because of the cost-sharing payments, premium rates need to be lower than they are already set. Then, in that State, they would be, and as a result, there would be rebates to individuals. The CBO also found that there is a provision in the law for a catastrophic ***plan***. That is a new insurance ***plan*** for people over the age of 29 that would have lower premiums and higher deductibles, but it would allow people to afford an insurance policy so that a medical catastrophe would not turn into a financial catastrophe. ``CBO estimates that making catastrophic ***plans*** part of the single risk pool would slightly lower premiums for other nongroup ***plans***, because the people who enroll in catastrophic ***plans*** tend to be healthier, on average, than other nongroup market enrollees.'' A major objective, I think, of all of us is to attract more young, healthy people into the pool as a way of lowering rates for everybody. ``As a result of the slightly lower estimated premiums, CBO and JCT expect that federal costs for subsidies for insurance purchased through a marketplace established under the ACA would decline by about $1.1 billion over the 2019-2027 period.'' We have already said what the Congressional Budget Office has reported earlier; that if we don't pass something like the Alexander- Murray proposal, this is what happens: If the cost-sharing payments are not paid, premiums in 2018 will go up an average 20 percent. They are already up. Our proposal will take them down. The Federal debt will increase by $194 billion over 10 years, if we don't pass our proposal, due to the extra cost of subsidies to pay higher premiums, and up to 16 million Americans may live in counties where they are not able to buy any insurance in individual markets. The 350,000 Tennesseans in individual markets in Tennessee would be terrified by the prospect of not being able to buy any insurance or by the skyrocketing premiums. I thank Senator Cornyn and the Senator from New Hampshire, Mrs. Shaheen, for allowing me to interrupt and make a brief statement. Let me go to the bottom line once more. The President has said repeatedly, Senator Murray has said repeatedly, and I have said repeatedly that the Alexander-Murray amendment, the short-term bipartisan ***plan*** to reduce premiums and avoid chaos, must not bail out insurance companies. We have written language to make sure it does not, and now the Congressional Budget Office says it does not. It does not bail out insurance companies. It does benefit consumers. It does benefit taxpayers to the tune of $3.8 billion. That is very important information. I am encouraged by the President's comment yesterday. He thanked me at the luncheon for working in a bipartisan way on this. I am encouraged that Senator Hatch and Kevin Brady have introduced a bill recognizing the importance of continuous cost sharing. The ball is in the hands of the White House right now. They have our recommendations. They made some suggestions. That is the normal legislative process. I am hopeful that something that has this kind of analysis; that it doesn't bail out insurance companies, that avoids a big increase to the Federal debt, that makes certain that people will be able to buy insurance for the next couple of years, that begins to lower premiums, that almost all Democrats want and that Republicans in the House have all voted for once this year when they voted for their repeal-and- replace bill--something like that sounds like something that might become law before the end of the year, and I believe the sooner the better. I thank the Presiding Officer, Senators Cornyn and Shaheen. I yield the floor. The PRESIDING OFFICER. The Senator from New Hampshire. Mrs. SHAHEEN. Mr. President, I am delighted to follow Senator Alexander and was very pleased to hear the news from the CBO that this Alexander-Murray proposal not only doesn't bail out insurance companies, as we all agree we should not do--we want to make sure savings go to consumers--but it also will save taxpayers $3.8 billion. This is a bipartisan agreement. I applaud the work of Senator Alexander and Senator Patty Murray to craft this bipartisan agreement to address the challenges we have in the short term with healthcare. Senators Alexander and Murray have given us a template for bipartisan negotiations not just on healthcare but on other critical matters that are going to come before this Senate--tax reform, reauthorizing community health centers and the Children's Health Insurance [[Page S6785]] ***Program***, reaching an agreement on the 2018 budget. These are all major issues facing this country and issues we should be working on in a bipartisan way. The Senate is at its best when we observe regular order and we follow the committee process, when we work across the aisle and make principled compromises to get things done for the American people. I believe that is exactly what this health insurance bill does. In a Senate that is nearly equally divided between Republicans and Democrats, this is the only productive way forward for us to address the challenges that face this country. Too often we have seen people use bipartisan negotiations as a last resort, but bipartisanship should be the Senate's first resort, not the last resort. It should be the foundation of our work in this body. This is how the great majority of Americans want us to conduct the Senate's business. When I travel around New Hampshire, this is the consistent comment I hear everywhere I go: Why can't you all work together to get things done for this country? This is especially true on matters like healthcare and tax reform, which affect families throughout the country. I am encouraged that the Alexander-Murray bill has earned strong bipartisan support and, as Senator Alexander said, has 24 original cosponsors. That number is equally divided between Republicans and Democrats. This is a balanced agreement that has been negotiated by both parties over many months, and I think it is our best bet for stabilizing marketplaces in the short run so we can continue to work on long-term issues around healthcare. I am especially pleased this agreement provides for the continuation of cost-sharing reduction payments for 2 years. These payments are necessary to keep premiums, deductibles, and copayments affordable for working people. Without these payments, the cost of coverage will skyrocket, insurers will leav

e the marketplaces, and millions of people will lose their healthcare coverage. I have been working on this issue of cost-saving reduction payments since earlier this year, when I introduced a bill that would permanently appropriate funds for the CSRs. As the CBO said, the language in the Alexander-Murray bill ensures that these CSRs are not a bailout to insurance companies, but they are a way to help people with the cost of insurance. They are orderly payments that are built into the law that will go directly to keeping premiums, copays, and deductibles affordable for lower income Americans. Both Democrats and Republicans recognize that these payments are an orderly, necessary subsidy that keeps down the cost of health coverage for everyday Americans. As Senator Alexander said, we saw that these payments were in the bill the House voted for around healthcare, and they were also in the Senate bill earlier this year. In recent months, I have heard from hundreds of people across New Hampshire about the enormous difference healthcare reform has made in their lives. We are a small State; we have just about 1.3 million people. Nearly 94,000 Granite Staters have gotten individual healthcare coverage through the marketplaces. Nearly 50,000 have gotten coverage thanks to the Medicaid expansion ***program*** in New Hampshire. That has been a bipartisan effort, with a Republican legislature and a Democratic Governor, to get that ***program*** in place, and it continues to enjoy the support of the Republican legislature and the Republican Governor. Because of the Affordable Care Act's increased access to care, we also have 11,000 Granite Staters who have substance use disorders and who have been able to get treatment for the first time. New Hampshire has the second highest rate of overdose deaths from the heroin and opioid epidemic. Having treatment available through the expanded Medicaid ***Program*** has made a difference for thousands of people in New Hampshire and their families. Hundreds of thousands of Granite Staters with preexisting conditions no longer face discrimination resulting in denial or sky-high premiums. These are important achievements, and this legislation will allow us to continue down that road to make sure people have healthcare coverage they can afford. For people across New Hampshire and across this country, healthcare coverage is often a matter of life or death. It is about being able to take a sick family member to a doctor. It is about knowing that a serious illness will not leave a mountain of debt. I am very pleased to be able to join in the bipartisan efforts led by Senators Alexander and Murray to strengthen the parts of the healthcare law that are working and to fix what is not working. The other provisions in this legislation will allow States more flexibility through the 1332 waiver process. The Alexander-Murray agreement expedites waiver approval so States can implement smart fixes to stabilize their marketplaces, for instance, by establishing a State- based reinsurance ***program***. The agreement also includes a restoration of funding for open enrollment outreach in educational activities, and it protects four protections related to insurance affordability, coverage, and ***plan*** comprehensiveness. All of these changes are positive steps forward, steps that I hope will set us on a bipartisan path, strengthening elements of the Affordable Care Act that are working well and fixing elements that need to be changed. I am hopeful the Alexander-Murray agreement can gain the bipartisan support it needs to pass in Congress, that it can gain the President's signature, and I am encouraged by Senator Alexander's comments about the President's comments yesterday because we need to restore certainty and stability to the marketplaces. Instead of partisan efforts to undermine the law and take health insurance away from people, we should embrace the spirit of the Alexander-Murray agreement. Let's work together in a good-faith, bipartisan effort to build a healthcare system that leaves no American behind. Thank you. I yield the floor. The PRESIDING OFFICER. The majority whip. SAFER Act Mr. CORNYN. Mr. President, I know people watching and perhaps reading the newspaper, watching cable TV, and listening to talk radio think nothing ever happens here in Washington, DC, and they would be wrong. Certainly, we can always do better, and I am disappointed we haven't been more successful, but there are some measures we can make in the right direction in important pieces of legislation that make a very profound difference in people's lives. Today I want to talk about a problem that, thanks to a bill passed by the Senate on Monday, we are helping to solve. This has to do with the untested rape kit backlog in our country. Years ago, thanks to a courageous woman named Debbie Smith, I became a lot better informed about the nature of this problem: rape kits, the forensic evidence that is taken in sexual assault cases but which remained in evidence lockers in police stations untested or was sent to laboratories and never processed. At one point, it was estimated that there were as many as 400,000 untested rape kits in our country. As the Presiding Officer knows, this is powerful evidence because of DNA testing. We can literally almost say with certainty whether there is a match between the DNA of a suspect and that in a rape kit. This forensic evidence is collected following a sexual assault. Similarly, we can decide and determine whether there is no match whatsoever and, frankly, exclude somebody who is a potential suspect from being the guilty party by using this same powerful forensic evidence. It is also important not just to solve the crime at hand but also to get sexual predators off the streets because we know this type of offender is likely to strike time and time and time again. The experts tell us that when opportunities don't provide themselves for sexual offenders to go after adults, frequently they will even go after children. So this is very important evidence. As we know, there is typically a statute of limitations that after a period of time a case cannot be prosecuted, but it is really important, as I mentioned, to continue to test as many rape kits as we possibly can to get serial offenders off the streets and to determine whether somebody has been charged or suspected of a crime and is in fact innocent. [[Page S6786]] Thanks to courageous people like Debbie Smith, for whom we have named the Debbie Smith Act, as well as great bipartisan cooperation in the Senate, we have provided funding for the testing of rape kits at the State and local level, which has been supplemented by the Texas Legislature and other State legislatures. In Houston a few years ago, our mayor felt so strongly about this that they took this on as a citywide project, with incredible results. They found a number of hits of previously unsolved crimes, and they were able to bring peace of mind to a lot of people who had been living under a cloud of unsolved crime when they processed these unprocessed rape kits. Nationally, the problem is still big, with as many as 175,000 rape kits that still haven't been analyzed, and this is something we need to continue to attack. It is down from 400,000 at one point, was the estimate, down to 175,000, but that is still unacceptable. Victims of sexual assault, scarred by painful memories and physical trauma, can't afford to wait for funding that is easier to come by. They need their stories to be heard, the evidence to be tested, and the results expedited. Federal, State, and local officials owe them those things. If we dawdle, those cases go cold, and they are the ones who bear the scars and the pain of these unresolved crimes. That is why the Sexual Assault Forensic Evidence Reporting Act, called the SAFER Act, is so important. That is the bill I mentioned a moment ago that we passed in the Senate on Monday. It reauthorizes a ***program*** created in 2013 that has helped law enforcement reduce the national rape kit backlog. I thank my friend and colleague, Representative Ted Poe over in the House, for sponsoring the House version. The original legislation increased the amount of funds spent on untested kits by 35 percent and allowed 5 to 7 percent of them to be used on audits of existing law enforcement ***programs***. These audits, in turn, uncovered tens of thousands of untested kits across the country, each with evidence that could be used to bring an offender to justice. The new bill passed by the Senate this week goes further. It ensures that pediatric forensic nurses are available for training so that, once they complete it, they are better equipped to respond promptly and appropriately to children suffering from abuse. Finally, the bill extends the sunset provision of the SAFER ***Program***, which will ensure the longevity of a ***program*** with a proven history of success. I am grateful to have a wide range of bipartisan support, including the senior Senator from Minnesota, as well as the senior Senators from Nevada and Colorado, who are original cosponsors. This is a good example of legislation that is bipartisan and that makes progress toward solving a very real problem in our country. But, as so often we find the case, there is not much reporting on it, much attention paid, but it is worth noting here on the Senate floor that bipartisan progress on important legislation that helps people's lives become better is being done here in the Senate. CORRECTIONS Act Mr. President, I also want to bring up another important piece of legislation I reintroduced this last week, the Corrections Oversight, Recidivism Reduction, and Eliminating Cost to Taxpayers in Our National System Act. Let me call it the CORRECTIONS Act for short because that is a mouthful. I am grateful to my Democratic cosponsor, the junior Senator from Rhode Island, Mr. Whitehouse, for joining me on what is, like the SAFER Act, significant bipartisan legislation. My home State of Texas has a well-deserved reputation for being tough on crime, but we have also learned over time that it is important to be smart on crime too. We successfully implemented statewide criminal justice reforms that help low-risk offenders become productive members of society once they reenter civil society from prison, and the State is focused on the important role rehabilitation can play. I am not naive enough to think that every person who is imprisoned behind bars, having been convicted of a criminal offense, is going to take advantage of the opportunity to right their path and to get on with their life, but some will, and given the proper assessments and incentives, we have found that this sort of approach works. The CORRECTIONS Act that Senator Whitehouse and I have introduced builds off of the State models that have worked in Rhode Island, Georgia, Texas, Louisiana, and elsewhere, and it requires the Bureau of Prisons to provide ***programs*** that partner with faith-based and community-based organizations to better prepare these men and women to become law-abiding and active members of society. I hope the Senate can follow Texas's lead and implement these commonsense, bipartisan reforms. This bill achieves a number of objectives, which I will mention briefly. First, it requires the Department of Justice to develop risk- assessment tools to evaluate the recidivism potential of all eligible offenders. Second, it refocuses resources on those offenders most likely to commit future crimes and allows lower risk inmates to serve their sentences under less restrictive conditions, thus reducing prison costs, so the taxpayer wins too. Third, the bill expands ***programming***--such as substance abuse treatment and vocational training--that has been proven to reduce recidivism. Fourth, it requires the Bureau of Prisons to foster partnerships with faith-based and nonprofit and community-based organizations in order to deliver a broad spectrum of ***programming*** to prisoners. Next, it allows inmates who successfully complete recidivism- reduction ***programs*** to earn credit toward time in prerelease custody, while eliminating eligibility for inmates convicted of serious crimes. Additionally, the bill requires the Department of Justice to implement inmate reentry pilot projects across the country and to study their effects so that we can gain a better understanding of what works and what doesn't work when it comes to offenders' reintegration into society. Finally, the CORRECTIONS Act creates a national commission to review every aspect of our criminal justice system. The last review of this type was done in 1965. And while I think Congress--certainly this is within our wheelhouse, but we probably don't have the bandwidth to do this, which is why this national commission is so important to be able to report back to Congress and make recommendations to us. We know one thing for sure: that when people serve their sentence and they are released from prison, they are going to reenter society. Why wouldn't we want to make sure those who are willing to deal with their addiction, to learn a skill, to get a GED, and to otherwise improve their lives--why wouldn't we want to make sure they are better prepared when they reenter civil society? Otherwise, they are left with this turnstile of crime where they go from prison, to the community, to committing another crime, to another conviction, and back to prison again. Our focus should be on helping individuals find a productive path as contributing members of society, and that involves making sure returning to prison doesn't happen because there is no alternative. By implementing job training, drug rehabilitation, and mental health treatment, we can focus and save taxpayer dollars, lower crime and incarceration rates, decrease recidivism, and most importantly, we can help people change their own lives for the better. Joining State and local officials at the forefront of this are groups like Prison Fellowship and the Texas Public Policy Foundation, which create ***programs*** for inmates, such as the Prison Entrepreneurship ***Program***--or PEP for short--which teaches prisoners how to start and manage their own businesses when they begin life on the outside. You would be amazed by individuals who started their own businesses through the PEP ***program*** and turned their lives around in the process through the mentorship and fellowship that these ***programs*** provide. I hope we can learn from the laboratories of democracy, known as the States, where we implemented successful criminal justice reform ***programs***--this time, in our prison system--where we will all benefit. Taxpayers benefit because we will have to incarcerate fewer people because they won't continue this cycle of release, offend, and [[Page S6787]] reincarceration--at least a certain percentage of them won't. We can help people whose lives are in a tailspin because of drug or alcohol addiction or who feel as though they are on a dead-end street because they simply don't have the job skills or the education in order to compete in the economy. I hope we can follow the lead of successful experiments in our States, such as Texas, and implement these commonsense, bipartisan reforms in our Federal prison system. Mr. President, let me say in conclusion that I know the administration is very interested in engaging on criminal justice reform. Last year, we worked on a sentencing and prison reform bill that unfortunately seems to not be going anywhere. While the prison reform component of it seems to have a consensus of support here in the Congress and I think could pass and be signed into law, the sentencing reform piece is a little more controversial and I know divides even the Republican conference, and I am not sure what it does with the Democratic conference. But I believe we ought to start on a step-by- step basis, get what we can get done, and get it to the President for his signature, while providing these tools to inmates who are incarcerated through the Bureau of Prisons, and then keep working on the other parts on which we perhaps have not yet been able to build consensus. I hope our colleagues will work with us on this important piece of legislation as we work to reform our criminal justice system in ways that make sense and that save taxpayer dollars. I yield the floor. The PRESIDING OFFICER. The Senator from Missouri. Tax Reform Mr. BLUNT. Mr. President, yesterday in the middle of the day, the Presiding Officer and I and the Senator from Texas and others had a chance to meet with the President and talk about tax relief. It seemed to me very clear that the President and those of us who are advocating tax cuts right now are on the same wavelength, which is, let's have tax cuts for hard-working families, and let's do the other things we need to do in the Tax Code to ensure that those very same families have better jobs. As I said on the floor of the Senate last week, there are two ways to increase take-home pay. One is to start taking less out of the paychecks people are getting now, and another one is to give them an even better paycheck in the future. We need to look at both of those ways to increase the opportunity for working families and working individuals. We are now into the eighth year of almost no economic growth. If there is no economic growth, there is very little incentive for your job to be a better paying job than it was the previous year no matter what has happened to your other costs, and we clearly see that happening. We are into the first year of this new administration. We are looking at 3 percent annual growth after 8 years in which growth didn't exceed 2 percent. Anytime you begin to talk like an economist, people begin to wonder: Well, what does that have to do with me? Let me just say that for taxpayers generally, for working families generally, the more growth you have, one, the more revenue that comes in that takes care of problems like the deficit. The way you take care of those problems--the best way--is to grow the economy. Two, people are much more focused on keeping the workforce they have, getting the best of the workforce that is coming on board as their workforce moves on for retirement or relocates or does other things. Three percent economic growth is not good enough. The post-World War II average--that is more than seven decades now of average--is, I think, almost 3\1/2\ percent. There are very few economic problems in our country that wouldn't be made substantially better, including our own Federal deficit, if we see growth exceed or even get to the 70-year average. There is no reason to believe that can't happen. Yesterday, the President was talking about the two ways to immediately relieve pressures on families. One is more take-home pay, and two is a better job that also increases take-home pay. But the first step we can achieve immediately by the kind of tax relief we need. There have been 8 years of stagnant wages. Half of the families in the country are living paycheck to paycheck. Very few families can face an emergency that is even $500 without having to restructure what they are doing and how they are doing it. We can do a better job at this. We need more jobs. We need higher wages. And the two principal goals of this tax bill should be to do exactly that--create more wages now, more take-home pay now, and create an environment in which we are going to be more competitive. Simplifying the Tax Code is one way to meet that first impact, having a tax code that people understand better, that they think is fairer. A tax code where people think they are being treated fairly is much more likely to be complied with than a tax code where people see that somebody else who makes the same amount of money as they make is paying a lot less taxes than they are paying. The American tax system is probably the greatest voluntary compliance. Sure, there are laws that require people to comply, but most people are never impacted by those laws. They know they could be, but the American people have shown a willingness to pay their fair share if they know that their fair share is, in fact, their fair share. A simpler tax system, a more easily understood tax system, a system that has fewer than the seven different tax brackets that people pay today are things we can and should achieve. Doubling the standard deduction helps a lot when people look at the $12,000 deduction they have now. For a couple, as they look at that deduction and realize that deduction, that standard deduction, has doubled, suddenly, if you are a couple filing jointly, you are not paying any taxes on the first $24,000 you earn. If you are a single individual, you are not paying any taxes on the first $12,000 you earn. Keeping enough of the family-benefiting exemptions helps make the family do what the family would like to do. What if they would like to give to their church and charity? There is no discussion saying we wouldn't keep the standard charitable deduction as a deduction. There is no discussion that we wouldn't keep home mortgage as a deduction so we are encouraging homeownership or looking at how to make the child tax credit bigger rather than smaller. Many of the early analyses of what this Tax Code would do say that for a family of four, they would pay more than they are paying now up to certain income level. Generally, that will turn out not to be the case--certainly, at the middle-income levels and below if you factor in the child tax credit, which hasn't been determined yet. Our tax-writing committee will be looking at that child tax credit as an important addition to the individual exemptions because it costs money to raise kids. The Congress surely should understand that, appreciate that, and factor that into the deductions. Just like we are doubling the deduction for individual earners, we also have to look at what that child tax credit should look like. Tax policies that benefit homeownership, tax policies that encourage contributing to charities and community activities and church and synagogue and mosque--your religious activities--all would continue to be a part of this Tax Code. Also, when talking about sending kids to school, one way to not have student debt is to encourage families to have ways to better prepare for what they, in most cases, would hope would be a goal or an expenditure their family would make. We can do things like expanding the Pell grants for poor families, but for families who don't qualify for that, we can do things that allow the deduction early on for putting money in a fund that prepares people to go to school. Keeping well-paying jobs at home and encouraging more jobs to come here is also an important part of the goal. You can't have the highest corporate rate in the world and expect that you are going to be as competitive as you would be with other countries. A corporate rate of 35 percent, in 1986, was fairly near the middle when that rate was arrived at with President Reagan and others working on it the last time we did a tax rewrite, and right in the middle is about where we should be. However, now the situation is we see that right in the middle is no [[Page S6788]] longer 35 percent; it is about 20 percent. Ireland just revised its 15 percent rate to 8 percent. Great Britain is reducing their rate to a little less than 20 percent. They have been, I think, a little more than 20 percent. We need to be sure the products we make here and the jobs that are created here--that there is a competitive ability to sell that same product anywhere in the world, with the advantage, obviously, of being made by our great workforce but also an advantage where our tax system doesn't work us out of the marketplace, doesn't make us less competitive. A territorial tax system will be one of the things we are going to hear talked about a lot. For most of us, that doesn't seem to have any impact. We earn our money here, we pay our taxes here, but we also want to be sure that if American companies sell products somewhere else and earn money there, that they can, should, and would bring that money back to the United States to reinvest it in the kinds of things that create jobs here. I think this doesn't have to be all that complicated. We need to understand what the core principles are. We need to get to those core principles. We need to get this done this year so people are ***planning***, in the first months of next year, on how to take advantage of a new, simpler, fairer, and more competitive Tax Code. This needs to be job one of this Congress for the next few weeks. We need to get that done so job one for the country, beginning at the end of this debate, is what we can do to create more and better jobs and create more take-home pay for hard-working families. I am joined by some of my colleagues who are going to talk about this same topic, I hope, and others. We need to be focused. I can tell, with the President's comments yesterday, he is focused on this. We are focused on this. This is a job we need to get done. I yield the floor. The PRESIDING OFFICER (Mrs. Ernst). The Senator from Alaska. Mr. SULLIVAN. Madam President, I wanted to reinforce and underscore some of the comments made by my colleague from Oklahoma, Senator Lankford, on what is happening in the Senate right now. It is actually really important for the American people to understand what is going on. Maybe we would finally get the press, who sit up there above your chair, Madam President, to write about this topic. Right now, we are debating a very well-qualified district court judge nominee--a Federal district court judge nominee from Oklahoma. Senator Lankford was down here, and he obviously knows the nominee, Scott Palk. He is so qualified that the vote for cloture to move forward on this nominee--who, by the way, was nominated by President Trump for a Federal district court position but was previously nominated by President Obama with fairly bipartisan support--was 79 to 18. That is really strong bipartisan support. It just happened about an hour ago on the Senate floor. So what are we doing? Well, we are still going to be debating for 30 hours. We are not really debating the nominee because he is well qualified. That is what we are doing in the Senate, supposedly. Anyone watching, you know we are not debating him because he is very well qualified, but we are still going to burn 30 hours. Why is this? Well, this raises a much broader issue of the tactics that are happening on the Senate floor right now. The minority leader and his colleagues will not come down and explain what they are up to. I gave a speech on this a couple of weeks ago, and I just asked: Come on down. Let the American people understand why we are spending all this time on nominees who are very well qualified and have enormous bipartisan support. Why are we being required to go an additional 30 hours? Those are the rules, but normally there would be unanimous consent to move forward. What is happening now hasn't been explained, but it definitely hurts the American people, whether you are a Democrat or Republican. What is happening now is, every single nominee from the Trump administration, whether Federal judge or Assistant Secretary for Health and Human Services, is being delayed. Here are the numbers. Eight years ago, President Obama had about 66 percent of his nominees confirmed at this period in the fall of his first term. People were working through them. If you didn't like the nominee, you would just vote against them, but you wouldn't say we are going to burn half the week of the Senate to debate somebody who is not even controversial. This judge, when we finally get through the 30 hours, is going to pass with 80 Senate votes, but we are burning through it anyway. President Obama, 8 years ago, had 66 percent confirmed. The number for President Trump 8 years later is 33 percent. Imagine our friends in the media-- the New York Times--if Republicans were doing this to President Obama during his first few months in office. There would be front-page stories every day. The Republican Party is trying to undermine the new President--delaying, delaying, delaying. You don't hear a peep from our national press. They don't write about it. It is a problem because we have work to do in this country. I have asked the minority leader to just come down and tell the American people why you are doing this. We have had numerous judges, very noncontroversial, very bipartisan, where we essentially spent the whole week ``debating'' them. We are not debating this judge, but we are going to spend 30 hours on him. Why are they doing that? And why are my colleagues on the other side of the aisle agreeing to it? I asked them to come on down and explain it to the American people, the people watching on TV or in the Gallery. Why are you doing this? Does it help the country? Whether you are a Democrat or Republican, it doesn't help the country. That is the whole point, but nobody wants to come down and explain their delay tactics. The press will not write about it because some of them like it, I think. Here is the truth. When we are spending all this time all week on this judge who will get voted on--and he will pass because he is very well qualified. Senator Lankford laid out his resume. He was previously nominated by President Obama. We are going to vote for him after this 30-hour period, and he will pass with a strong bipartisan vote. What is the challenge? What happens to the other issues we need to address in this country--in this body? We can't get to them, if we wanted to turn to other issues to start moving them. My colleague from New Hampshire was just on the floor. She talked about all the things we have to do. I agree with her 100 percent: tax reform, healthcare, budget--we never do the budget here anymore-- National Defense Authorization Act, growing the economy, as my friend from Missouri talked about, infrastructure, immigration, and the Dreamer issue. We have so much to do, let alone getting Trump administration officials confirmed and judges confirmed. That is a big list, but because we are spending 30 hours on a debate, which really isn't a debate on the judge, and we can't get consent from the other side to actually work on these other issues, this is what we are doing. We are just burning time. The minority leader will not come down and explain it. I don't know if he can explain it, but that is what we are doing. Again, if the shoe were on the other foot, the press would be going crazy. Right now, they just let it happen. My view is, it would be great if one of my colleagues from the other side of the aisle would come down and say: Here is why we are wasting all of this time. Just let us know. As Senator Lankford mentioned, this judge was nominated by the President in May. Now we are going to spend most of the week ``debating'' him, when that is not what is going on. It is just a delay tactic. My view is, we should just say: OK. You want to play ball like that? We will stay here 24/7 and keep the Senate open 7 days a week. Let's get to work. Let's stay here until Christmas. See if the minority leader and his team keep doing that, keep delaying. I think we should call their bluff. Right now, the delay tactics--which nobody on the other side wants to explain--in my view, are not defensible, and they are not helping the country. Whether you are a Democrat or Republican, you want to seat the government. You want to get good people working for the American people. Right now, that is not happening. I just wish the other side would either explain it or stop doing it. Let's get to work for this Nation. [[Page S6789]] Thank you. I yield the floor. The PRESIDING OFFICER. The Senator from North Carolina. Mr. TILLIS. Madam President, I fully associate myself with the comments just made by the Senator from the great State of Alaska. We have to get to work here. Tax Reform Mr. President, I am here to talk about one of the most pressing issues we have to deal with. Yesterday, we had lunch where the President spoke about why tax reform was so critical for healing the economy and really having our Nation rise to its full capabilities in terms of economic performance and global competitiveness. You read the headlines. The headlines read like: Republicans are for the big guy, for the corporations, not for the little guy. You will hear them talk about policies that will have us drowning in red ink. You will hear them talk about unsustainable economic policies. I saw all of those headlines before, about 6 years ago, in the North Carolina statehouse when we inherited a disaster for an economy. It was after the 2008 crisis. We had a State that was drowning in red ink, with a $2.5 billion structural deficit. We had a tax code that was absolutely out of sync with our competition, and we set about to fix it. This is what we ended up doing. All of the headlines looked exactly the way the headlines looked today, but we had members on both sides of the aisle, Democrats and Republicans, who recognized that North Carolina should be one of the fastest growing, most competitive States in the Nation. So we went about trying to figure out how to make that happen. We determined, for one thing, that there was an undue burden on individuals and working families. So we had to simplify the tax code, and we had to reduce the tax burden on the individuals. We also recognized that our corporate tax rate was preventing us from getting the job expansion opportunities. The States like South Carolina, Tennessee, Alabama, and Virginia were winning time after time after time. By the time I came in as the speaker of the house, there had been a long time before we had any major economic development opportunity in North Carolina. So we were able to put together a corporate tax cut, an individual income tax cut, and, in our case, even a sales tax cut, which all of the pundits said was going to be a disaster. It ended up engineering and serving as the basis for one of the most significant economic turnarounds of any State for over the past 30 or 40 years. It went from a zero rainy day fund to a $2 billion rainy day fund, putting more money into education, putting more money into Medicaid, and creating the resources that would allow us to do the other things we wanted to do. When I was speaker, I had to go look to see what Texas was doing--I see the Senator from Texas is here--and say: What could we do to be more competitive with Texas? We looked at Iowa. What could we do as a matter of tax policy that would make us more competitive with Iowa on, let's say, ***agriculture***? Those were our peer competitors. As a State leader, I am looking at my peer competitors in their States. For our corporate tax policy, we look at China, at Russia, at Europe, and we look at our competitors and make it very clear that we are out of step. As Senator Blunt said, years ago we weren't out of step, but we are today. We are not competitive with people with whom we should be cleaning their clock in terms of economic expansion. You only get that done if you lower the corporate tax rate. If you actually get people who will invest that capital and hire more people, provide more opportunities for working families, and create more demand for jobs so that wages go up, that is how you ultimately get this economy moving to a point where we create the resources to also ultimately pay down the debt. I still consider that to be the single greatest threat to our national security. Along the way, the reason I know our tax policy was about right where it needed to be was that virtually every lobbyist in Raleigh was mad at me--and I mean all of them. If you look at 1986, the last time we did meaningful tax reform, virtually every lobbyist on Capitol Hill was mad at the folks who voted for the bill, and that was on a bipartisan basis. So we have to have Members who are willing to go big, who are willing to actually reduce the corporate tax rate, to work on the tax burden for working families, and to recognize that it is on us. We are in a historic opportunity to turn this economy around and to take advantage of the fact that other countries are not heeding the call. They are heaping more regulations on their businesses. They are adding more taxes in some cases. This is a historic opportunity for us to just blow past the competition and ultimately create the resources to retire our debt and provide the critical resources we need for so many other things that we need to get here, like strengthening our international defense, making sure our homeland is safe, and securing the border. All of these kinds of things can be done, but they can only be done if we have the courage to move forward with tax cuts and tax reform. I hope that all of my Members, before Thanksgiving, are in this Chamber and have an opportunity to vote for a bold reform package but, more importantly, for the fulfillment of a promise that we made to the American people if we had majorities in the Senate, in the House, and in the White House. We have it, and it is time for us to act. I don't care what the headlines read because I have seen those headlines before. I don't care what the special interests want in terms of exemptions and exceptions because I have had those meetings in my office before. At the end of the day, every single one of those folks who wanted to pick apart one exception or an exemption have come back into my office and said: You know what; you have protected us from ourselves, because if you had listened to us, you would have done far less than you were capable of doing. There is nobody who follows State politics that would question what was done in North Carolina. It has been an extraordinary turnaround. Now it is time to do the same thing for this great Nation. I hope that all of my colleagues would set aside the distractions, mute the voices of the special interests that will want their special exemption or exception and fulfill the promise that we made to the American people. I yield the floor. The PRESIDING OFFICER. The Senator from Texas. Mr. CRUZ. Madam President, I rise today at a time of extraordinary opportunity. The American people have entrusted us with something that, historically, is quite rare: a Republican President, Republican control of every executive agency, and Republican majorities in both Houses of Congress. Now it is incumbent on us to stand up and lead, to deliver on the promises we made to do what we told the American people we would do. We have before us right now an opportunity for historic tax cuts. Just last week, this body voted out a budget resolution that is the vehicle for adopting tax cuts. I urge every Member of this body to come together in support of a strong, bold tax ***plan*** that cuts taxes on every working man and women and that brings back jobs and economic growth. Growth is really fundamental to every other challenge we have in this country. If you look historically, since World War II, our economy has grown on average about 3.3 percent a year. Yet, from 2008 to today, we have grown only 1.2 percent a year--about a third of the historic rate of growth. If we don't turn that around, none of our other problems are solvable. If you care about the national debt, if you care about the deficit, if you care about rebuilding and strengthening our military, if you care about strengthening and improving Social Security and Medicare so that they are there for the next generations, we have to have growth. With economic growth, every one of those is possible. Without growth--if we stay mired in the stagnant Obama 1- and 2-percent GDP growth, none of those problems are solvable. Growth is foundational. I would like to lay out three principles and then seven key elements that I think should guide this body in tax reform. No. 1 is growth. When we are adopting tax cuts, we should focus directly on jobs and economic growth and focus on the reforms that ***produce*** jobs, that expand [[Page S6790]] economic growth, that grow our economy, that create more opportunity, and that raise wages. Working men and women in this country are hurting. We need wages going up. We need more jobs. We need young people coming out of school with two, three, four, or five job opportunities. That is what tax cuts are all about. No. 1, we start with growth. I will point out that we can do this. From 2008 to 2012, the economy grew 0.9 percent a year--less than 1 percent a year on average. If you look back in history to the previous 4-year period when growth averaged less than 1 percent a year, it was 1978 to 1982. It was coming out of the Jimmy Carter administration. It was the same failed economic policies--high taxes, high regulation, high spending, and high debt. In 1981 Ronald Reagan came into the White House. The Reagan Presidency focused front and center on tax cuts, with major tax cuts in 1981, and then following it up in 1986 with major tax reform. And what happened? When Reagan came in 1981 with across-the-board tax cuts and tax cuts for everybody, Democrats screamed, the media screamed, and yet the economy took off. The fourth year of the Reagan Presidency, GDP growth wasn't 3 percent. It wasn't 4 percent. It wasn't 5 percent. It wasn't even 6 percent. It was 7.2 percent in 1984--7.2 percent, those are numbers you hear in the developing world. Those are numbers you hear in China and India. All of our learned economists who are so world weary and all of our media reporters who are so world weary tell us: No, no, no, that kind of growth is not possible in America anymore. Accept the new normal of 1 and 2 percent of stagnancy, of young people buried in student loans, of people hurting. Accept that as the new normal. That is nonsense. If we want to see Reagan-style growth, we need a Reagan-style tax cut--an unapologetic, unabashed tax cut that focuses on jobs. The second big principle is simplicity. There is an old rule, KISS, or ``keep it simple, stupid,'' which is particularly powerful when it comes to tax reform. Bold simplicity has enormous power and, in particular, allowing every American to fill out their taxes on a postcard. I believe that should be an integral element of what we pass. It is what I have been pressing for many years, and what I would continue to urge my colleagues here in the Senate and in the House to do, which is to simplify the Tax Code so that we don't spend millions and millions of hours and paperwork wasted on compliance. Make it a postcard. Make it simple. Then the third objective is fairness. We want a tax system that is fair, that isn't arbitrary, that isn't Washington picking winners and losers and deciding: OK, this industry we like; so you can do OK. This industry we don't like; so you are going to hurt. We are going to pick between them. We need to cut everybody's taxes. Last week, I debated Bernie Sanders on CNN on tax reform. Bernie, to his credit, was very candid. He said he wanted to raise your taxes. If you are a taxpayer, your taxes are going up under Bernie and the Democrats' vision. My vision is every bit as simple on the other side. If you are a taxpayer, I want to cut your taxes. That is what we need to do--to cut taxes fairly, across the board for every American, to reduce the burden from Washington, and to create jobs and economic opportunity. I would note that, in that debate with Bernie, there was one exchange that I thought was particularly notable. Bernie, as you know, when he ran in Vermont did not run as a Democrat. Rather, he ran telling the voters he was a socialist. I asked a simple question: What is the difference between a socialist and a Democrat on taxes? He sat there for several seconds in silence and said: I don't know the answer to that. My response was: Neither do I. One side of this Chamber wants to raise your taxes if you are a taxpayer. The other side of this Chamber wants to cut your taxes if you are a taxpayer. That is a simple choice for the American people. What are the elements that should reflect those principles? There are seven critical elements: No. 1, I believe we should create a simple, low, flat rate. Currently, there are seven individual rates with the top rate at nearly 40 percent. Ideally, what I believe we should have is one simple, low, flat tax. When I was campaigning for President, I campaigned on a simple, flat tax of 10 percent for every individual and every family in this country, 16 percent as a business flat tax, and to abolish every other Federal tax, to abolish the corporate income tax, to abolish the death tax, to abolish the alternative minimum tax, and to abolish the payroll tax. Everyone pays a simple, flat 10 percent for individuals and 16 percent for businesses. Simplicity has power. It may be the case that we don't have the votes to go to a simple, flat tax today. If that is where we are, if we don't have the votes to do it today, then the closer we get to that the better. If we can't get to a simple, flat tax, then going from seven brackets to three is an improvement, and going from three to two is even better, and going from two to one would be even better than that. We need to press consistently for a low, simple, flat rate that is fair for everyone. The second element, which we talked about just a minute ago, is filing your taxes on a postcard. Let me tell you the most wonderful aspect of that simplicity. It is not the billions of hours, it is not the billions of dollars that are saved. The best aspects of filing your taxes on a postcard are actually the physical dimensions of the postcard. It means that Congress can't add a bunch of new things. Even if we tried to put it in four-point font, eventually you will run out of space on the postcard. The reason a postcard is so important is it imposes a discipline on the Federal Government that it can't carve out a special loophole for every favored or disfavored group because it is simple and flat and fair for everybody. No. 3, allow immediate expensing. What does expensing mean? It means that if a business makes a capital expenditure, right now, they physically have to amortize it over a number of years. Instead, what we should do is allow full and immediate expensing. If a farmer in the Presiding Officer's home State of Iowa buys a new tractor, that farmer should be able to expense it immediately, that year. If a steel factory buys new equipment and hires new workers to operate that equipment, that steel factory should be able to expense that new equipment immediately. If a diner buys new kitchen equipment and hires new cooks and waiters and waitresses, the owner of that small business should be able to expense that capital expenditure. And why is that? The reason is the first principle I started with--growth. If you care about jobs and economic growth, expensing is a powerful engine for jobs and economic growth. It creates millions of new jobs because that capital has to be spent in the United States. It has to be spent here. That tractor is in the United States; that steel equipment is in the United States; that diner with the cooking equipment is in the United States, which means those jobs are in the United States. I would note, by the way, the people who particularly benefit from immediate expensing are the working men and women of this country--the men and women with callouses on their hands, the men and women, frankly, who gave Donald Trump the victory in November of 2016 or the union workers whom, sadly, the Democratic Party has abandoned. There was a time when the Democratic Party styled themselves as the party of the working man and woman. That time has been long since forgotten. The Democratic Party now listens to California environmentalist billionaires and ignores the plight of steelworkers, oilfield workers, farmers, ranchers, taxicab drivers, truckdrivers, waiters, and waitresses--the men and women who are working hard for their families. That is who the Republican Party should be fighting for--the working men and women of this country. Immediate expensing impacts working men and women, particularly in heavy manufacturing. The fourth element is a lower corporate rate. We are seeing, and we have seen over the last 8 years, companies leaving America and moving their headquarters, moving their legal domicile to other countries. Why is that? Because the United States has the [[Page S6791]] highest corporate tax rate of any developed country in the world. We have created a tax environment that tells American businesses: If you simply get the heck out of Dodge, if you simply move somewhere other than America, immediately your profitability will jump because our corporate tax rate is higher and, in some instances, more than twice as high as our competitors. Look at Ireland. Ireland used to have high corporate taxes. They cut their corporate tax rate. Then they cut it again, and they are seeing businesses flood into Ireland because of the low corporate tax rate, and they bring with them jobs. Our focus should be jobs. If we cut the corporate rate so that it is low--so that it is at least as low as our competitors and ideally even lower--we will create an environment where more businesses want to do business in America where there are more jobs. I am reminded of Hillary Clinton, who said during the Presidential campaign season: Don't let anybody tell you that corporations or businesses create jobs. Even in the world of politics, that was a particularly asinine statement. The last time I checked, you get a job from going to work for a business--unless you start your own business. You either start your own business or you go to work for another business. That is what gives you jobs. We need to create that environment. In recent years, we have talked about corporate inversions, companies fleeing America. Our friends on the Democratic side of the aisle have all these ideas to punish the companies that flee America. Their approach is: We are going to tax you so high that you can't do business in this country, and then, when you try to survive, we are going to punish you on top of that with fines and penalties. It is actually reminiscent of their approach to ObamaCare, where they fine people who can't afford insurance after driving premiums through the roof. It is a much better idea to cut our corporate tax rate. Let's create a tax and regulatory environment in America so that businesses want to be here and create jobs. It is my hope that 3, 5, 10 years from now, other countries--European countries and Asian countries--are complaining about corporate inversions because their companies are fleeing their countries and coming to American, because there is no place on Earth better to do business than America, because we will have honored our commitment on tax reform and cut taxes and created an environment where businesses can thrive. No. 5, encourage repatriation. Right now, Federal tax law subjects American businesses to punitive double taxation at the highest rates in the developed world if they bring capital back here from overseas. U.S companies have roughly $2.7 trillion in capital overseas, and our tax system inextricably incentivizes them to keep the money overseas, which means--what do they do with the money overseas? It means they build factories in China, in Mexico, in India, and countries overseas that aren't America, and then they hire people overseas. Why? Because if they bring the capital back here and hire Americans, our tax punishes them. That doesn't make any sense. I want to see that $2.7 trillion come back to America. I want to see that money back in this country. I want to see new factories, I want to see new stores, I want to see new businesses, and I want to see new jobs. We need to encourage repatriation, not put a punitive tax on the money coming back. Do you want to talk about patriotism? There is a reason it is called repatriation. It is patriotic to use that money to hire Americans. Our Democratic friends just want to yell and scream and insult them. That is not the right answer. People are going to respond to rational incentives. If you punish companies for bringing money back to America, they are going to respond rationally by not doing that. Let's change our tax system so we don't punish them for bringing jobs back to America. The sixth element, end the death tax. The death tax is one of the most unfair aspects of the Federal tax system. The death tax also happens to be the very favorite tax our friends on the Democratic side of the aisle love to demagogue. I have heard over past weeks attack after attack after attack on the death tax--that it is about the superrich. Here is a secret that the Democrats will never tell you. The superrich don't pay the death tax. By and large, they manage to avoid the tax with remarkable success rates. They hire armies of accountants and lawyers. Do you think George Soros will pay the death tax? Hold your breath, and let me know how that works out. It doesn't impact the superrich. The death tax actually generates very little revenue for the Federal Government. Who gets hit by the death tax? It is the farmers, it is the ranchers, and it is the small business owners. In the debate last week with Bernie Sanders, Bernie said that this doesn't affect farmers at all. The Presiding Officer and I have both spoken with an awful lot of farmers in Iowa and in Texas. I have heard farmer after farmer after farmer lament the death tax because of what happens when the patriarch, when the farmer, passes away and passes the farm on to the next generation. Over and over again, the next generation is forced to sell the farm just to pay Uncle Sam. They have already paid taxes once; they pay taxes when they earn their money. The death tax says that for having the temerity to die, we are going to tax you again at a punitive rate. Death should not be a taxable event. That is not fair. It shouldn't be the case that when you die, the two people you get to see are the undertaker and the taxman. We see farms that are sold, that are broken up; we see ranches that are sold, that are broken up; we see small businesses that are sold, that are broken up because the next generation that wants to run the small business, wants to keep the jobs, suddenly has a massive Federal tax bill. They don't have the fancy lawyers and accountants who, like the superrich, help them avoid the tax. So they get hit with the full force of the death tax. If you care about jobs and economic growth, why do you want a small business owner to be forced to sell the factory just to pay the tax bill? This means the employees all get laid off; they lose their jobs. It is much better to have those small businesses growing, to have those farmers prospering, and to have those ranchers prospering. The final element is that we need to end the alternative minimum tax. The AMT is a totally second set of taxation. Every year, it is growing the number of people who are hit by it, and it just adds complexity to the code. We should focus on growth, simplicity, and fairness. If we do that, if we focus on bringing back jobs, we have the ability to have a tremendous impact on our country. Finally, I want to make a plea to the Members of our conference, to the Republicans. We may get some Democrats to support us on tax reform. It is possible. We may get one or two. Sadly, we are in a different world than we used to be. In 1981 and 1986, Democrats actually used to be willing to work with Republicans on taxes. Tip O'Neill, a Democrat, was Speaker of the House when Reagan passed massive tax cuts. Bill Bradley in this body, a liberal New Jersey Democrat, helped lead the effort for tax reform. There are no Tip O'Neills or Bill Bradleys left. There is not a single Democrat leading the fight for tax reform--not a one. You may get one or two Democrats at the end of the day who cast a vote after everything is done because they are afraid of the electoral consequences in November. But I will make a prediction right now that if we don't have 50 votes on this side of the aisle, not a single Democrat will provide the 50th vote. They might be the 52nd or 53rd vote, but we ain't getting vote No. 50 from that side of the aisle, which means that for tax reform to happen, our conference has to get our act together. We have 52 Republicans, and we have to get 50 on the same page. Listen, we are at a time when we are seeing personality battles, and we are seeing nastiness. This is a strange time in politics. Any three Republicans can torpedo tax reform. I am making a plea to all 52: Don't be selfish and petulant. Don't put personal animosities above the good of the country. We were elected by the voters to do a job. Let's do the job. Let's honor the promises we made. Let's cut taxes, bring back jobs, bring back economic growth, and demonstrate to the voters [[Page S6792]] there is a reason they elected Republican majorities. If we don't, if we can't get our act together, then I fear the consequences will be catastrophic, both as a policy matter and a political matter. I urge my colleagues: Let's do what we said we would do. Let's cut taxes. Let's bring back jobs. I yield the floor. The PRESIDING OFFICER. The Senator from Connecticut. Puerto Rico Mr. MURPHY. Madam President, I rise today to talk about the dire humanitarian situation in Puerto Rico and to challenge this country to end a century of discrimination against the Puerto Rican people. While the fleeting media attention may have waned, the desperation of the people of Puerto Rico has not. The lackluster response from the Trump administration is an outrage. It has been more than a month since the hurricane, and 80 percent of the island's electricity is still out. Roads and bridges have collapsed. Homes have been destroyed. Of the 67 hospitals that are open, less than half of them are operating with electricity. Families are searching far and wide for clean drinking water, and some have been drinking water from wells at a Superfund site. This kind of inhumane response would never ever be permitted in a U.S State. But one doesn't even have to look at other States to evaluate this response; we can look abroad. Within 2 weeks of the earthquake in Haiti, there were 17,000 U.S military personnel on the ground in that country. Two weeks after Hurricane Maria made landfall in the United States, the United States had deployed only 10,000 troops to respond to the disaster in both Puerto Rico and the U.S Virgin Islands. News broke yesterday that the state-owned electric company on the island, PREPA, refused to operationalize mutual aid agreements with electric companies on the U.S mainland. That is a standard step in normal disaster response. Fault lies with PREPA, but how on Earth did FEMA and the Trump administration allow that to happen, leaving millions of Puerto Ricans in the dark and in danger for almost a month? It is beyond comprehension, and it speaks to the failure of the U.S Government's response. The truth is that Hurricane Maria exposed far more than just immediate physical damage; the hurricane also laid bare a very simple truth that is plain to every resident of the island and every Puerto Rican living in my State. The truth is this: The United States has been screwing Puerto Rico for over 100 years, and this is just the latest, most disgusting chapter. There is an undercurrent in the discourse about Puerto Rico that is as pernicious as it is ahistorical. You will hear people, like President Trump, say that Puerto Ricans are wholly responsible for the financial mess they find themselves in and that Puerto Rico should just pull itself up by its bootstraps. The rewriting of history ignores the fact that the Federal Government and Congress have had our hands tightly wrapped around those very bootstraps since 1898. The United States acquired Puerto Rico from Spain through the Treaty of Paris in 1898, when the United States defeated Spain in the Spanish American War. Puerto Ricans didn't ask to be part of the United States; we acquired the island. A century ago, Congress extended U.S citizenship to Puerto Ricans. In 1950, Congress recognized the island's limited authority over internal governance, and Puerto Rico became formally known as the Commonwealth of Puerto Rico. Being a commonwealth or a territory is permanent second-class status. Without access to the same healthcare reimbursement, the same infrastructure funding, the same education dollars as other States, Puerto Rico starts every single race 50 feet behind the rest of America. These built-in disadvantages are designed to hold Puerto Rico back. They have been in place for 100 years to keep Puerto Rico from being a true economic competitor with the mainland. Believe me, the Puerto Rican people have done everything they can to overcome this discriminatory treatment. There is an entrepreneurial, never-say-die spirit in Puerto Rico. I know this because no State has a greater percentage of residents with Puerto Rican roots than Connecticut. But despite the strength of the Puerto Rican people, they are stuck because Washington has tied their hands behind their backs by taking away the right to vote in Federal elections, virtually guaranteeing that Puerto Rico's economic disadvantage will never ever be remedied. It is a black hole from which Puerto Rico and the other four U.S territories can never escape. Puerto Ricans are U.S citizens--despite the fact that recent polling suggests that half of Americans don't know this--but they can't vote for President. They have no voting representation in Congress. Think about it this way: Americans with a mainland address can vote if they move to Mongolia or Sierra Leone, but if they temporarily take up residence in a U.S territory like Puerto Rico, they miraculously lose their right to vote. There are real, practical consequences to this lack of representation. We are watching the most egregious example right now. Do you really think that if Puerto Rico had two U.S Senators, 80 percent of the island would still be without power a month after the hurricane? By the way, Puerto Rico has more citizens than 21 States that have a total of 42 Senators in this body. Do you think a President would denigrate and insult Puerto Rico the way President Trump has if it had electoral votes? The botched response to Maria is just the latest attack on the island, perpetuated by a Congress that can afford to ignore a big part of the United States that has no voice in Congress to object. For over six decades, the U.S Navy pummeled the island of Vieques, just off Puerto Rico's coast, with ordnance, using it as a bombing range for military exercises. Those weapons allegedly contained uranium, napalm, and Agent Orange. Today, people who live on Vieques are eight times more likely to have cardiovascular disease and seven times more likely to die of diabetes than others in Puerto Rico. Cancer rates on Vieques are much higher. If you want to know why Puerto Rico has been in a decade-long recession, look no further than Congress. More than 50 years ago, the U.S Government launched several initiatives to help spur economic growth on the island. It was a good thing. Ironically enough, the initiatives were collectively called Operation Bootstrap. One of the tools that were used to spur economic growth was a tax break to allow U.S manufacturing companies to avoid corporate income taxes on profits that were made in Puerto Rico. Manufacturers descended on the island in droves, and the entire economy in Puerto Rico became oriented around those companies. But what Congress gives, Congress can take away, especially if the entity you are taking from has no meaningful representation in Congress. In 1996, Congress phased out the tax breaks. Guess what. It sucked the island's tax base away, cratering Puerto Rico's economy for the next two decades. It is worth noting that Puerto Rico is not blameless for the financial situation that it is in. There definitely has been a fair share of mismanagement on the island. Bad decisions have been made. Saying that Puerto Rico is only a victim of schemes of the mainland is not true. But the same can be said of fiscal mismanagement and bad decisions in other U.S States. But a century of underinvestment in Puerto Rico has been a big part of the story as to how they arrived at this situation. And unlike all those other U.S States, Puerto Rico has no way of rectifying the past misdeeds because its toolbox to reckon with its past is limited to what Congress sticks in the toolbox, and that toolbox doesn't provide access to the Bankruptcy Code. As a result, Congress passed PROMESA, which created this financial oversight board on the island. Puerto Rican bondholders on Wall Street, who bought the bonds for pennies on the dollar, are now challenging the current oversight board's legitimacy, with the hope of being paid before the island gets relief. These practices of the bondholders, who have been circling the island for years, are made more menacing because they are spending boatloads of money lobbying Congress. Just watch TV at night in Washington, DC, to see their ads. They know that the people of Puerto Rico have no voice here, have no votes here. [[Page S6793]] Now it looks as though other predators are circling. News came out this week that a small, two-person company in Whitefish, MT, somehow, some way, got a no-bid $300 million contract to restore power in Puerto Rico from the island's power authority--the same power authority that refused the help of experienced electric companies that actually know how to turn the power back on. How does something like this happen? It turns out that the little town in Montana is the home of the new Secretary of the Interior. Get ready, because this is just the start. President Trump and his billionaire cronies are going to use this disaster to enrich themselves. The Whitefish power contract given to a friend of the Secretary of Interior--with two people employed at that company--is just a scratch on the surface of what is to come. Puerto Rico has been getting screwed for decades. None of this is new. None of this is unpredictable. If you think this is just one century-long string of rough luck, you are ignoring the last critical aspect of Puerto Rican history. Back in 1901, when the U.S Supreme Court decided that even though residents of the territories lived in the United States, they shouldn't be able to enjoy full constitutional protections, the Supreme Court was pretty explicit about why these citizens in places like Puerto Rico deserved this second-class treatment. Justice Henry Brown, who authored the separate but equal doctrine, held that Puerto Rico and the other territories didn't need to be afforded full rights under the Constitution because the islands were ``inhabited by alien races, differing from us in religion, customs, laws, methods of taxation, and modes of thought.'' That, my friends, is racism defined. And it is both past and present when it comes to the rationale for the historical and continued mistreatment of the people of Puerto Rico. It is time for that mistreatment to change--not just by doing right by Puerto Rico at this moment, at their hour of need. Yes, it is time for President Trump to command that FEMA and the U.S military and the powers that be in Puerto Rico turn the lights back on right now. Congress should give Puerto Rico every cent they need. I am glad that we came together this week to approve the latest round of emergency aid, but it is long past time that we addressed the second-class treatment we have given the people of Puerto Rico for decades. Even that racist 1901 Supreme Court decision contemplated that the territories' unequal status could only be justified temporarily. It is time to untie the hands of the Puerto Rican people and ensure that they have full economic and political rights. I hope my colleagues will join me in this conversation in the coming months. It is just as important as the one we are having on emergency response because if anything good can come from the disaster of Hurricane Maria, maybe it is that. I yield the floor. The PRESIDING OFFICER. The Senator from New Mexico. Healthcare Mr. UDALL. Madam President, Republicans have spent months trying to repeal the Affordable Care Act. They knew that tens of millions of Americans would lose their care, they knew it would betray our Federal trust responsibility to Native Americans, and they knew it would throw one-fifth of our economy into chaos. TrumpCare failed because the American people opposed it. Americans spoke out against it in record numbers. TrumpCare failed to pass four times. We hope that now we have put that to bed and we can move on. But rather than listening to millions of Americans, President Trump has responded by sabotaging the Affordable Care Act. His reckless behavior is already causing chaos in the marketplace. His actions have hyped up the cost of premiums. He has sent out-of-pocket costs through the roof. Instead of helping Americans get better healthcare, he has put it out of reach for millions. I commend my colleagues Senator Alexander and Senator Murray. They have found a bipartisan solution to this new healthcare crisis caused by our President. I urge Leader McConnell to put it onto the floor. The Affordable Care Act isn't the only healthcare ***program*** at risk. The President and Republicans are letting funds run dry for other critical health ***programs***. Last month, the Children's Health Insurance ***Program*** expired. CHIP insures almost 9 million children across the country, including over 11,000 kids in my home State of New Mexico. The Community Health Centers ***Program*** also expired last month. Republicans failed to extend the Maternal, Infant, and Early Childhood Home Visiting Services. That is one of the most effective health ***programs*** that we have. Without it, more than 1,000 New Mexico parents could miss out on home visits. They will not get crucial information about how to nurse their newborns, recognize healthy behavior in infants, and teach basic skills to their children. The Special Diabetes ***Program*** for Indians is also set to expire in December. I urge Republicans to work with us to reauthorize these critical healthcare ***programs***. We need to act urgently. We can get this done by Thanksgiving or earlier if we work together. Madam President, I want to talk about CHIP first. CHIP provides comprehensive health insurance for kids whose families do not quite qualify for Medicaid but who cannot afford private insurance. CHIP covers basic medical care, like immunizations, prescriptions, routine checkups and dental visits. Thanks to CHIP, the rate of uninsured kids in America has dropped from 14 percent to 4.5 percent. CHIP has been a lifesaver for some families. This is Colton. He is from the small town of Anthony, NM. Colton was 8 years old when he was diagnosed with cancer. Fortunately, the cancer was treatable, and he was insured by CHIP. So the cost of his treatment and medications were covered. Without CHIP, Colton's family would have had to have paid hundreds of dollars a month for his treatment, which is the cost of a month's rent. Families should not have to choose between lifesaving care for their children and a roof over their heads. Colton's father wrote to the Santa Fe New Mexican, and it read: Watching my son battle for his life was almost more than I could bear. I couldn't imagine dealing with the stress of scraping together everything we had to cover the medical bills if we didn't have coverage. Having [CHIP] allowed us to focus on what was truly important--Colton's future and being there for my family as we went through this life-changing experience. But, now, States are looking at contingency ***plans***. New Mexico has reserves but only until next spring. Some States will be forced to cover all of the cost in just a few months, and others are preparing to send notices to families that their coverage will end. No parent who is already in crisis because of a sick child should have to go through that. CHIP was a bipartisan success story. I hope that we can get back to working together on this. The 50-year-old Community Health Centers ***Program*** delivers comprehensive healthcare services to some of our Nation's most vulnerable individuals--schoolchildren, people experiencing homelessness, ***agricultural*** workers, and our veterans. In New Mexico, 17 of these clinics serve 333,000 patients in 90 underserved and rural communities. The Community Health Centers are also important to the economy in rural communities. In New Mexico, they employ almost 3,000 people across the State. These clinics cannot sustain a 70-percent funding cut if Federal support is canceled. Many would be forced to shut their doors. I recently visited one of these clinics--the De Baca Family Practice Clinic in Fort Sumner, NM. It provides high-quality medical services to over 3,000 patients. Over one-fifth of its patients are children, and another one-fifth are seniors, but if funding runs out, the De Baca Family Practice Clinic will be forced to start laying off essential medical staff and to reduce its hours. Clinic director Lisa Walraven told me: ``You simply cannot reduce funding by 70 percent from a small frontier healthcare facility and expect anything other than a significant loss of access to care.'' Both CHIP and community health centers provide preventive care to underserved communities throughout New Mexico. They are supporting our healthcare system to ensure that we don't let any families fall through the cracks. [[Page S6794]] Indian Country also depends on these ***programs*** and others like them to provide vital care to their communities. The Federal Government has a trust and treaty obligation to provide healthcare to Native Americans. Yet the Indian Health Service is severely underfunded. CHIP and similar ***programs*** help to supplement care that the Indian Health Service cannot provide. CHIP currently covers more than 1,400 Native American children in New Mexico. Allowing these ***programs*** to expire would betray our treaty obligations. Another ***program*** cited that is critical to Indian Country is the Special Diabetes ***Program*** for Indians. It provides grants to Native communities for diabetes treatment and prevention. Without proper treatment, diabetes can lead to limb amputation and kidney failure. The disproportionate impact on Native Americans is a public health problem that we cannot ignore. This ***program*** is making real progress. It helps to fund over 300 Native health ***programs*** in 35 States, including 29 ***programs*** in New Mexico. They help educate communities about how to prevent diabetes and provide care so that Native patients can manage their diabetes more effectively. It is one of the most effective public health initiatives ever undertaken by the Federal Government. Diabetes-related kidney failure has dropped 54 percent among Native Americans. In some States, like Alaska, leg amputations among Native people with diabetes have decreased more than 68 percent. This ***program*** literally saves life and limb. ***Program*** directors across Indian Country tell me that without this funding they will have to start laying off staff and limiting their diabetes ***programming***. We need to provide funding to Tribal communities so that they can invest in projects that will be more effective in preventing diabetes over time. Congress must act to allow this successful ***program*** to reach its full potential. We cannot allow diabetes to become a death sentence in Indian Country once again. The failure to fund CHIP, the failure to fund the community health centers, home visiting health services, and the Special Diabetes ***Program*** will force families into another health crisis. Every day that we neglect these ***programs***, more people will suffer. These ***programs*** have years--sometimes decades--of proven success. The American people want Congress to work together to come up with bipartisan solutions. Most of these ***programs*** were created through bipartisan cooperation. Let's get back to that spirit and work together for the American people again. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Tillis). The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. BARRASSO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. BARRASSO. Mr. President, President Trump has been in office now for more than 9 months. For this entire time, Senate Democrats have been trying to obstruct him from doing the very job that he was elected by the American people to do. The President has laid out his agenda to create jobs, to grow the economy, and to help hard-working American taxpayers. Yet Democrats will do everything they can to stop the President from putting his team in place to accomplish these goals. They have tried to stop the President's legislative agenda because they know that his policies will actually work. When Republican policies become law, Democrats know that the people will see how successful these Republican policies are. I think Democrats are worried that they may never win another election again once we get these policies into place. That is why we have seen a record number of delays and obstructions by the Democrats in the Senate. They have done it on legislation, and they have even blocked the President from filling some of the most basic jobs within his administration. It started on day one. Normally, on Inauguration Day, the President gets a substantial number of people confirmed to his Cabinet. The idea is to let the President get his team in place so that it can hit the ground running. President Obama had six of his Cabinet Secretaries confirmed on Inauguration Day, and President Bush had seven Secretaries confirmed on Inauguration Day. These confirmations were by voice vote, but that was not the case with President Trump--just two with rollcall votes on Inauguration Day. Republicans in the Senate did not do anything to try to block the Cabinet Secretaries for President Obama, for we understood that it was best to give a new President a chance and for all of us to work together when we could. With George W. Bush, it was seven. That is how it usually works, but not anymore--no, not with this group of Democrats in the Senate. They really were never interested in giving President Trump a chance. They really do not seem to be working together. Last January, President Trump had two people confirmed to the Cabinet on Inauguration Day--the Secretary of Defense and the Secretary of Homeland Security. They were the only two jobs that the Democrats allowed the President to fill. In President Trump's first 9 months in office, Democrats have continued to block the way. They have allowed just 185 of his nominees to take their jobs. That is how ridiculous the Democrats have been in trying to keep President Trump from putting his team in place. By this far into the administration at the same time, President Obama had 364 nominees in place. The Democrats have blocked judges, Cabinet Secretaries, and other high-ranking officials. Now, it is interesting because you have seen this. Many of these nominees even have Democrat support, and they are not controversial at all, but Democrats are doing everything they can to slow down the process. During President Obama's first 9 months, he had 364 confirmed. So President Obama had gotten 2 for every 1 that President Trump has gotten confirmed. There are 81 of President Trump's nominees who have gone through the committees and another some number today. They are 81 people who have been nominated by the President for positions in the government who are just waiting right now for a vote on the Senate floor. Many of these people got through the nomination process in June but are still waiting and being blocked by Democrats in the Senate. It is outrageous. Do Democrats really think that these are not important jobs--that they do not need people in those jobs to do the important work that they have been assigned to do? I believe that we should confirm as many of them as possible today. There are 13 judges waiting for confirmation. There are 8 U.S attorneys waiting, including the U.S attorney from my home State of Wyoming. These are important jobs. We all understand that there is a process that we need to go through to fill these positions--to make sure the people are vetted and to make sure they are the right people for the jobs. All of these people have followed the process. They have been doing everything they have been asked to do in that they have filled out the paperwork, filled out the disclosures, and have gone through the committees. Now it is time for the Senate to get its work done. I would say let's do it today. Interestingly enough, in August, the Democrats finally allowed a significant number of people to be confirmed. More than 60 people were confirmed by voice vote on one day. That is the kind of thing that used to be very routine in the Senate--letting a large number of noncontroversial nominees be approved all at once. It is now time to do it again. There is a significant backlog. So I want to get these folks confirmed now. It is time to clear the deck and let these people get to work who have been nominated and vetted, who have gone through the committees and been approved. We need to move these nominations because we have more nominations on the way. We are going to have to deal with the nominations of two Cabinet Secretaries for positions that are currently vacant. President Trump has nominated Kirstjen Nielsen to be Secretary of Homeland Security. It is an important job, and she is very qualified for it. [[Page S6795]] Do the Democrats ***plan*** to block her confirmation to be Secretary of Homeland Security? Do the Democrats ***plan*** to obstruct this qualified woman from doing the important job she has been nominated by President Trump to do? The President deserves to have his team in place. The Senate has an obligation to get that work done. The Department of Homeland Security deserves to have a Secretary in place to keep us safe. That is how it has worked in the past and how it should be working now. These people manage major Departments of the government. They manage many career workers. We know that the Washington bureaucracy has grown tremendously over the years and that it is very difficult to eliminate people who aren't doing their jobs properly. We have seen it in the scandals over the years. Remember the Gold King Mine disaster? President Obama's EPA--the group who is supposed to protect the environment--actually dumped 3 million gallons of toxic wastewater in a river in Colorado. Remember the scandals involving bureaucrats in the Department of Veterans Affairs, the IRS, and the General Services Administration during the Obama administration? We need Presidential appointees in place overseeing these Federal workers to make sure that the government of the people is accountable to the American people. The Senate needs to be involved in providing oversight through our power of advice and consent. Democrats don't want that to happen. They have been keeping the Senate from providing that oversight, dragging out the process, making sure that the bureaucrats whom they seem to have more faith in are accountable to the American people rather than those whom the American people voted for on election day. These are important jobs, and we have qualified people ready to do the work. Democrats have delayed for 9 months. It is time to break that logjam today. I thank the Presiding Officer. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. MERKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Western Wildfires Mr. MERKLEY. Mr. President, I am coming to the floor to talk about the challenge we have with forest fires that have been raging in the West, in Montana and Idaho and Washington and Oregon and California, and periodically we have devastating fires in Colorado, New Mexico, and Nevada. We have to figure out how we do a better job in a multitude of ways. First, it is very important that we quit treating terrible fire years, enormous fires, as if they are some ordinary event because there is currently no FEMA-style reaction to terrible forest fires. We respond with FEMA for tornadoes and for floods and for tidal waves and for hurricanes and for earthquakes but not forest fires. Well, the result is, the Forest Service runs out of funds to fight the fires in a bad year, and then they have to drain all the other ***programs*** they are working on, including the ***programs*** to prepare for future timber cuts, the ***programs*** to thin the forests, the ***programs*** to repair the infrastructure in the Federal forests, all these other efforts, and then they can't resume those efforts until we have restored their funding, which can come often far later. This fire borrowing has to end. That is why we absolutely need to support the bill Senator Wyden, Senator Crapo, and others have been working on to say: Let's create a FEMA-like structure for these worst fires so we end this fire-borrowing devastation of the fire accounts. That absolutely needs to happen. Right now, there are three funding issues we need to address. First, we need to help out the communities that have been impacted economically by these devastating fires. Some have been scorched directly, others have been profoundly affected by the smoke in the community, others have been affected by highways being shut down, and others have been impacted by tourism dropping dramatically. So it is very important that we send a message to the Department of ***Agriculture***, the Small Business Administration, and the Department of Housing and Urban Development to say: Use your emergency ***programs*** to assist these communities. We really should make sure they are at the front of the line, along with those who have suffered the disasters in Texas, Florida, and Puerto Rico, for emergency loans and assistance from the Small Business Administration and for an augmented share of community development block grants to assist them in a very flexible fashion. I had the chance to meet this weekend with leaders in the Rogue Valley to talk about how smoke had affected them, and company after company after company had been dramatically impacted. Some you would say was obvious. If you have a zip line company and tourists aren't coming because the smoke is very thick, you are going to be impacted, but others are a little less obvious; for example, the production of wine and the potential impact of the smoke and the fires directly on the harvest but then also on perhaps tainting the flavor of the wine, which will have an impact down the road. So we need to make sure we do all we can to assist these communities just as we are assisting the communities that have been devastated by Hurricanes Harvey, Maria, and Irma. The second thing we need to do is, we need to include $200 million in the next package, the third tranche of assistance for the disasters this year. We need $200 million to fund the repair and replacement of infrastructure and trail infrastructure damaged--the buildings and the trails that were damaged by these forest fires. Now, that $200 million, that goes half to trails and infrastructure that were damaged by the hurricanes and half to those impacted by the fires. Essentially, the damage was roughly equally split. Without this type of funding, the Forest Service will be forced to postpone or cancel projects in fiscal year 2018 to accommodate the recovery. It will compromise the work to remove hazardous trees for public safety, road and trail maintenance, restoring vegetation in watersheds, and rehabilitating wildlife and fish habitat. The third thing we have to do is seize the moment and invest in fire resilience. Every single time we have a fire season like this--and this season we spent almost twice as much, on average, to fight the fires-- people ask: Why don't we do more on the front end to reduce the risk of these fires? Well, that is such logical thinking to do more on the front end. What do they mean by that? We have millions of acres of second-growth forests. We clearcut them. Some of them regrew naturally. Others were replanted. We replant virtually everything now. After 10 or 20 years, the trees are very close together. The branches are very close to the ground. This is prime territory for fires. Fires love this. Disease loves this. So it becomes a real problem unless you go in and thin the trees enormously--take out a lot of those trees--and proceed to get rid of the hazardous fuels of branches that accumulate on the ground and so forth. But if you do those two things, those forests become much more resistant to fire. When you are doing this on a stand that is a bit older--20 or 30 years older--you also get a significant supply of sawlogs for the mills. So this is a real win-win situation. You get a forest that is better in resisting fire, you get a forest that is better in resisting disease, you get a forest that is better for timber stands, and you get a forest that is better in terms of being an ecosystem. With all that winning, we need to do more to make it actually happen. In my State of Oregon, there are 1.6 million acres that have already gone through the environmental process. They are ready to be thinned and have the hazardous fuels removed. In Washington State, it is at least 400,000 acres. There are probably hundreds of thousands of acres in every State from Montana and Idaho to California, Nevada, and New Mexico. This picture shows the difference. This road right here had a stand on the left that had not been thinned. If you can make out the colors, these trees are dead. They are all brown--dead trees because of the heat of the fire when it swept through. This side of the road had been treated. The trees had been thinned. The brush had been [[Page S6796]] taken out from below. They often call that mowing. It has had prescriptive fire in it, which means after you have thinned it, you may go 10 or 15 years, and then let fire burn up the shrubs at the base. Therefore, on this side of the road, the forest is undamaged. In fact, I went out to this area outside of Sisters, OR, this last weekend. It is just remarkable how the area that had been thinned and treated with mowing and prescription fire became very resistant to the fire that was sweeping toward Sisters. It really helped the Forest Service fight the fire because they could easily maneuver through the area that had been thinned, much more than the area that hadn't been thinned. So that Milli fire was stopped before it got to Sisters, thankfully. In other places where the forest hadn't been thinned, the outcome might have been very different. Let's invest now in this win-win. Let's not succumb to the traditional timber wars of the past. After fires like this, there are those folks who come along and say: We just need to clearcut everything. Let's do a 10,000-square-foot timber sale with no environmental review and allow everything to be cut. That was the 1950s. In fact, we have a bill in this Chamber that says: Do exactly that, and you can take out the old growth and the big trees. The irony of that is those are the trees that are actually fire resistant. Those are the trees you want to leave. This is a solution that brings the environmental world and the timber world together and provides a supply of sawlogs for our mills. Let's make that type of vision happen. But to do that, we have to fund the effort. We have to have the funds to be able to go in and do that thinning and mowing and fire prescription. That is why we are asking for about $600 million to help thin the forests of Montana, Idaho, Washington, Oregon, California, Nevada, New Mexico, and wherever else there is a forest that has gone through that environmental review. It is ready for action. Let's put Americans to work in those forests in this win-win strategy. Three things we need to do: Help our communities that are scorched, proceed to invest in emergency repair of the damaged infrastructure on our forest lands, and invest a significant $500 to $600 million in thinning the forests that have already gone through environmental review. Thank you. The PRESIDING OFFICER. The Senator from Indiana. Healthcare Mr. DONNELLY. Mr. President, for years, I have been calling on Democrats and Republicans to work together to improve the healthcare law. There are some, like me, who recognize the benefits of the existing healthcare law, as well as the areas that need fixing, and I have proposed that we partner together to strengthen our healthcare system. For the first time, we have legislation in the Senate that has broad bipartisan support and would improve issues with our healthcare system by stabilizing the individual marketplace and lowering premiums for Americans. This is what I have long pushed for. Today, it is more important than ever that we act to pass this bipartisan legislation. I would like to take a few minutes to explain why. Beginning next week, on November 1, millions of Americans, including Hoosiers, can sign up for healthcare coverage through the individual marketplace. Unfortunately, as consumers prepare to shop for health insurance ***plans***, there is uncertainty and instability in the marketplace and confusion and higher prices for consumers. That wasn't the case earlier this year, as both public and private analyses showed that individual marketplaces were relatively stable and improving. For the last 10 months, though, the administration has worked to make it harder for Americans to access affordable healthcare and destabilized the markets. For many months, the administration refused to commit to continuing important cost-sharing reduction payments that reduce costs for consumers and, even worse, played politics with these payments. This culminated with the administration's announcement earlier this month that it would discontinue cost-sharing reduction payments. This decision came only weeks before open enrollment. There is no disputing a simple fact: The administration's actions created uncertainty for insurers, causing some to significantly raise rates and others to leave the market altogether. As a result, many Americans will be forced to pay more for healthcare ***plans*** through the individual marketplace. For example, CareSource, an insurance company that offers insurance to Hoosiers through the individual marketplace, told me earlier this year that rates would rise 2.2 percent if the Federal Government committed to continuing cost-sharing reduction payments. Because the administration refused to do so, rates for CareSource ***plans*** are on average now 20 percent higher for Hoosiers than last year. Centene, the other insurer offering coverage in the marketplace, will have average rate increases of nearly 36 percent. In addition to higher rates, it will be harder for Hoosiers to find help enrolling in healthcare ***plans*** because the administration slashed 82 percent of Navigator ***Program*** funding for my home State of Indiana--the deepest cut of any State in the country. Consumers also have a shorter period to enroll than in past years. The administration ***plans*** to do maintenance and shut down HealthCare.gov for 12 hours on all but one Sunday throughout the open enrollment period. It does not have to be this way. As I have said for years, there is another path--a bipartisan path. We should work in a bipartisan manner to improve our healthcare system, all Americans working together. I have pressed the administration to commit to providing stability for health insurance markets and to working together on bipartisan solutions that reduce healthcare costs and ensure access to quality medical care. Over the past several months, I have engaged in bipartisan conversations in meetings with my colleagues to discuss ways we can partner together to stabilize our healthcare markets. We have talked to a range of healthcare experts. There has been a good-faith effort to find common ground on steps we can take to lower costs for families. That is what we should be doing. After participating in this effort, I was pleased that Senators Lamar Alexander and Patty Murray reached a bipartisan agreement last week. It makes improvements to our healthcare system and helps reduce costs for our families. I am proud to cosponsor this legislation. It continues cost-sharing reduction payments that reduce consumers' deductibles. It also reduces copays for two years and restores funding to help Americans navigate signing up for health insurance. It enables more flexibility for States without undermining essential health benefits or harming people who have preexisting conditions. If this legislation came to a vote today, I am confident it would receive more than the 60 votes needed to pass in the Senate. It has wide-ranging support from both Democrats and Republicans. It has bipartisan support, not only in the Senate but also from Republican and Democratic Governors all across the country. We have heard from groups, including the American Medical Association, the U.S Chamber of Commerce, and AARP, urging Congress to move forward on this proposal because it is common sense. It benefits families. It helps stabilize the insurance markets. It is our job to protect families from unnecessary increases in the cost of healthcare, particularly those within our control. We have an opportunity to do that with the bipartisan Alexander-Murray agreement that we achieved by working together. The healthcare debate should not be a political game. The stakes are way too high for that because healthcare impacts the well-being and the economic security of millions of Americans. I have said over and over that the American people expect us to work together to try and make life a little bit better. At the very least, we should do no harm. The Alexander-Murray agreement not only provides relief for families, it actually helps put them in a better place. There is no doubt we have more work to do, but this proposal is an important first step. Let's strengthen the healthcare system and make healthcare more affordable with this bipartisan solution. I yield back. I suggest the absence of a quorum. [[Page S6797]] The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. MERKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Cotton). Without objection, it is so ordered. Rohingya Humanitarian Crisis Mr. MERKLEY. Mr. President, I thank my colleague from Indiana for joining me on the floor today to raise awareness of the ethnic cleansing that has been occurring on the other side of our planet, ethnic cleansing by the Burmese military against the Rohingya Muslim minority. Just last week, together we sent a letter to U.N Ambassador Nikki Haley. It was signed by 21 of our colleagues. It called for ``tangible actions against the Burmese government to end the violence, to help the Burmese people and make clear that there will be consequences for those who commit such atrocities against civilians.'' I am pleased to partner with my colleague on this. I think he will share some remarks, and then I will follow up with some remarks of my own. The PRESIDING OFFICER. The Senator from Indiana. Mr. YOUNG. Mr. President, I thank my colleague for his leadership on this issue. It has been a pleasure to lead a subcommittee in the Foreign Relations Committee with Senator Merkley. We have always worked in a constructive fashion on some consequential issues and none more consequential than the one before us today. With respect to the crisis in Burma, we recently met with the lead person on an international NGO who just returned from camps in Bangladesh. He briefed us on some of the horrible circumstances facing these individuals who have been forced out of Burma. This last Friday, as Senator Merkley indicated, we also led a letter to Ambassador Haley regarding the Burma crisis. I would also note that we had an important hearing on this topic yesterday in the full Foreign Relations Committee. I commend our leadership for putting that together. I want to share some of my thoughts about this crisis. Before I do, I would like to acknowledge folks back home in the State of Indiana. I happen to represent a significant number of Burmese Americans. These are patriotic fellow Hoosiers, who have played an instrumental role helping to educate me and members of my team on this crisis, and I am happy we can be responsive to their concerns. It is important for all Americans to understand what is happening in America and everything outside our shores. Burma is a country that doesn't typically capture the imagination or attention of people in the United States, but, right now, in light of this humanitarian crisis, it requires all of our attention. The Burmese military has conducted a deplorable campaign of violence against the Rohingya Muslim minority, including the systematic use of arson, murder, and rape. Our State Department tells us that nearly 300 villages have been either partially or completely destroyed by fire just since August 25 of this year by the Burmese military. That is more than half of the approximately 470 Muslim villages in northern Rakhine State. Ambassador Haley has indicated that the Burmese military's actions constitute a sustained campaign to cleanse the country of an ethnic minority--ethnic cleansing. The U.N High Commissioner for Human Rights has referred to this situation as a textbook example of ethnic cleansing. We have seen more than 600,000, who are mostly of the Rohingya ethnic minority, flee the violence in the Rakhine State and seek refuge in Bangladesh. They travel on foot for days, carrying what they can of their belongings, carrying their young children. It is mostly women and children who make this trek. Upon arrival in Bangladesh, we have been briefed that many of them require immediate lifesaving assistance. To put this severity in some measure of context, yesterday, our Department of State and U.S Agency for International Development characterized the resulting population movement as ``almost unprecedented''--almost unprecedented--amidst all of the other challenges we have seen in recent years, including the migrant crisis coming out of the Middle East and across the shores of the Mediterranean. Some research suggests the refugee flow from Burma has been swifter than the exodus from Rwanda in 1994. Many Americans will say: You know, honestly, we have a lot of challenges in the world. Why should I care about this one? Well, here is why: In Burma, we see a group of people--the Rohingya--being systematically targeted because of their ethnicity. This, of course, runs afoul of our basic values, the principles upon which our country was founded. These principles inform the rules of the international order that has existed for some number of decades now. These rules are the mortar that holds the order together. We simply cannot allow certain rules of international behavior to be violated or that will encourage other bad actors, and they will continue to be undermined, thus, undermining our national interests. Recent history demonstrates that the systematic violation of fundamental human rights sooner or later engenders security threats to Americans, to our allies, and to our collective interests--think of Tunisia, think of Syria, think of the countries of Yemen or Nigeria. There are almost countless examples just in recent history where we have seen or are seeing right now the depravation of basic human rights. That, in turn, is undermining our values and our national interests. Let me apply this observation about the linkage between our values and our interests--not just domestically but internationally--to the situation in Burma. We know the past and present Burmese Governments have systematically deprived the Rohingya population of their most fundamental human rights. Not surprisingly, this has compelled a small number to join the Arakan Rohingya Salvation Army, ARSA. The most recent wave of ethnic cleansing began after ARSA conducted a coordinated attack on Burmese security outposts, and the Burmese military responded with disproportionate military actions and deplorable attacks on civilians. Here is a point the Burmese Government and the Burmese military must understand. By refusing to treat the Rohingyas as full, equal citizens and by attacking their own people who just want to live in peace, the Burmese military is only going to increase the number of Rohingyas who will be radicalized, exacerbating the very problem the Burmese military says it is trying to address. So this is not in Burma's interest. I can't emphasize that enough. Before the most recent iteration of this crisis, in December 2016, the International Crisis Group--an international nongovernmental organization--issued a report titled ``Myanmar: A New Muslim Insurgency in Rakhine State.'' The report said a number of things, among them that the ``continued use of disproportionate force that has driven tens of thousands from their homes or across the border to Bangladesh . . . could create conditions for further radicalizing sections of the Rohingya population that transnational jihadists could exploit.'' As we saw in Syria--to choose just one comparative example--when the government fails to respect the basic human rights of their citizenry, then conflict ensues. It can lead to far wider radicalization. The conflict becomes a magnet, a magnet for international terrorists. It becomes a factory that creates more international terrorists. In short, when governments commit systematic and large-scale violence, oppression, and injustice against its own people, it creates a fertile ground for Islamist terrorist recruitment and radicalization. This is contrary to the interests of everyone, including the Burmese Government. Further, if left unaddressed, the humanitarian and security situation in Burma and Bangladesh will worsen and increasingly threaten regional stability and U.S national security interests. The United States must continue to lead. There has to be an international response in Burma. We need other partners to step up and participate in that response, but the United States must continue to lead. Part of leading comes down to clarity. What do we want of the Burmese Government? I see at [[Page S6798]] least four things the Burmese Government must do. First, the Burmese Government and their military must immediately end its ethnic cleansing campaign against the Rohingyas. Second, the Burmese Government must address the root of this conflict by implementing the recommendations of a U.N panel, the so-called Advisory Commission on Rakhine State. Third, the Burmese Government must permit safe access for journalists, for humanitarians, and for a United Nations fact-finding mission and all of their personnel so we can figure out precisely what is going on and who is responsible. Finally, the Burmese Government must facilitate the safe and voluntary return of all these individuals who have been displaced. When I leave the Senate floor today, I am scheduled to immediately visit with Burma's Ambassador to the United States. The points I just mentioned are points I intend to reiterate directly to that Ambassador. Moving forward, the United States should lead efforts to document atrocities in Burma however we can so the perpetrators can be held accountable. I also support the administration's announcement yesterday that it is exploring accountability mechanisms that are already available under U.S law, including the so-called Global Magnitsky targeted sanctions. I call on countries like China and Russia to support the suspension of all international weapons sales to the Burmese military. They should not be transferring weapons to this murderous regime. In conclusion, as Senator Merkley and I stated in our letter on Friday to Ambassador Haley, now is the time. Now is the time to take bold and effective actions against the Burmese Government to end the violence, not just to help the Burmese people but to help stabilize the region and protect U.S national security interests. Now is the time to uphold our fundamental values, the values, frankly, of civilized nations. Now is the time to work with this administration and colleagues on both sides of the aisle to make sure we can reach as peaceful and as positive a resolution to this horrible situation as possible. I want to close by once again acknowledging the tremendous leadership of Senator Merkley. I thank him for his partnership in this effort. I yield the floor. The PRESIDING OFFICER. The Senator from Oregon. Mr. MERKLEY. Mr. President, I appreciate the comments of my colleague and the opportunity for us to work together to help shine a light on this moment of great atrocities in the world. A great deal of what we are calling for is for America to do more to shine a light on it and for the world to work together, not just to shine a light on it but to end it and to proceed to have as much healing as can possibly take place. I thank my colleague from Indiana for being deeply in this conversation. It is a real pleasure to work on the Foreign Relations Committee together. We must address this situation. According to a report from the U.N High Commissioner for Human Rights, ``government forces and Buddhist extremists in Burma have carried out `a well-organized, coordinated and systematic' campaign of human rights violations against the Muslim Rohingya in Myanmar's Rakhine State,'' with a strategy to ``instill deep and widespread fear and trauma--physical, emotional and psychological--among the Rohingya population.'' This comes after the commissioner's statement that this ``security operation,'' as they refer to it, in Burma was ``a textbook example of ethnic cleansing.'' As we ponder international relations, we see from time to time that one group, somewhere in the world, will respond to deep tribal impulses and prejudices and seek to wipe out another group. These are horrific moments in history, and we have seen this movie--this situation--occur time and again. After such atrocities, the world has said ``never again''--``never again,'' meaning that we will respond when we see this happening. We will apply great pressure. We will coordinate with the world to make sure it stops, because such effort to wipe out another ethnic group is so unacceptable and it is such a crime against humanity. But here we are, and it is happening right now in Burma. It is happening with a Buddhist nation. We normally associate the Buddhist religion with a main emphasis on peaceful conduct. Yet this tribal impulse--these deep prejudices are so powerful that they overcome whatever peaceful impulse there is, and they have resulted in a massive effort to wipe out the Rohingya people. In the course, there have been a massive number of rapes. There have been children killed right in front of their mothers. There have been villages surrounded by soldiers and then the village huts set on fire, and then they have been shot as they flee. This is about as inhumane as it can get. Something close to 300 villages have burned to the ground. By some estimates, 3,000 civilians have been killed. A few weeks ago, we were talking about 400,000 refugees pouring into Bangladesh. Now, the number is 600,000 Rohingya refugees. Roughly half the Rohingyas live in Burma, and those refugees include 300,000 children. Think about the type of trauma those children have just experienced and the challenges they will have regaining a foundation to thrive. Then there are those who are internally displaced inside of Burma, who have been driven out of their villages but haven't been able to make their way to Bangladesh. This is the challenge we face. There is an area of Bangladesh called Cox's Bazar. That is where these two main refugee camps are. International aid groups are working to quickly get as many resources as they can into this area so that people do not starve and so that medical wounds can be addressed. But there is still a significant lack of food, a lack of clean water, and a lack of sanitary bath and toilet facilities. That condition is ripe for spreading disease--diseases like cholera. When I was home in Oregon, I met with a group of Rohingya refugees who came and settled in Oregon. As we can imagine, they have a very personal connection to what is happening. Some of them have distant relatives still there. Some have immediate family members. They don't know exactly what has happened to everyone in the middle of this chaos. We also heard about villages that didn't get burned down but where the military was blockading people from leaving the village to go to the fields to secure food and blocking them from leaving the fields and going back into the village, probably responding to international outrage over villages being burned and essentially resorting to a strategy of starving out the villages to drive people away. Imagine being trapped in one of those villages, knowing what is happening to village after village after village, knowing children have been slaughtered, women have been raped and often killed, and men have been shot. The desperation is enormous. I heard firsthand accounts of conditions of refugees from Reza Uddin, who had just returned from a 2-week trip to visit them. He told powerful and moving stories about children who had been brutalized, children who had been separated from their parents, children who might possibly now be orphans because it is not clear if their parents are still alive or, if alive, where they are. The world collectively has not done enough. The community of nations has not done enough to address this unspeakable brutality. Bangladesh should be complimented for accepting these refugees fleeing for their lives. They have been cooperative. It is a challenge for them, and we should acknowledge that. We should continue to ask them to do everything possible and to give the U.N High Commissioner for Refugees and various aid organizations full opportunity, full access, and full authority to be in and assist those in these refugee camps. The United States, the United Kingdom, and the United Nations have condemned the actions of the Burmese, and that is certainly appropriate, but we haven't done enough. We have not taken the steps to which my colleague referred to strengthen sanctions or coordinate international countries to all weigh in. The only thing that will make a real difference here is pressure on the Burmese military. They are in charge. We can criticize the civilian government in Burma, and many have, and they have been unable to stop what [[Page S6799]] is going on and sometimes often reflect the prejudices that contributed to this, but it is the military that makes the decisions. We had testimony from the State Department yesterday, and one of the officials used the term ``vigilantes'' for what the vigilantes are doing in this oppression. That is not the right term to use. This is not uncoordinated action. This is action coordinated through the military decision-making process. You don't surround camps, you don't have significant ***planning*** that goes into it, and have it just be vigilantes. Vigilantes may be involved, but they are not the driving force. They might be assisting the soldiers in some cases, but this is a coordinated act of the military of Burma, and it is important that the community of nations convey to the military how unacceptable this is and that there will be significant consequences. My colleague has referred to the fact that in this situation no military sales should be made to such a military. That is important, but that takes a conversation among nations, and the United States needs to be deeply engaged in this. There is a lot of international fundraising going on. There was a donors conference held on Monday to assist the refugees. It raised about $200 million or a little more in new funds. That is about $400 per refugee. That is not nearly enough to provide for shelter or care in a situation with complete lack of access to fields or farming or support. It is going to take more than that. We should be involved in working with the United Nations, UNICEF, World Health, UNHCR, or the U.N High Commissioner for Refugees, and the World Food ***Program*** to step up and assist. I certainly believe it would be very helpful to have President Trump take this issue on and speak from the heart of our Nation to this dark and evil deed that is happening--that we reject it and we will partner with the rest of the world to end it. I do feel that there is a history in which we have helped lead nations in these situations. We haven't always been there. I know that President Clinton said that the biggest regret of his administration is that he didn't respond quickly in Central Africa when the Tutsis and Hutus went to battle against each other, slaughtering each other with machetes. This is a chance for us to really respond--to respond aggressively, to have that moral clarity, and to exercise that leadership in the world. I join my colleague in calling for such action for more assistance, with the aid to both Burma and Bangladesh, for the moral clarity to take action that pressures the Burmese military in a significant and compelling way and to provide assistance in the right of return--the ability of these individuals to be able to return to their villages. Traditionally, this group has been denied citizenship. Early on, we heard from the civilian government in Burma: We will let them come back if they show they are citizens. No. 1, they have never been granted citizenship. No. 2, after a horrific situation like this, if they did have papers, they wouldn't have papers now. They would have been burned along with the villages. There needs to be a change in attitude, a change of heart among the Burmese civilian leadership, and certainly among the military, to lead an effort in the peaceful tradition, the Buddhist tradition, of embracing this diversity and returning these people to their land. Former U.N Secretary General Kofi Annan now serves as chairman of the Advisory Commission on Rakhine State. He and his team have laid out a report with very specific actions--actions that will help end the cycle of radicalization and the cycle of violence. We need to work to try to make sure those things are implemented, to show oppressive governments and the rest of the world that the world will not stand-- that the world will respond, and respond aggressively, in a coordinated, forceful way when ethnic cleansing occurs. That is the best deterrent we could have for future atrocities. Again, I thank my colleague for being in this dialogue and for his support to shine this light and to take a compelling more forceful action. Like him, I look forward to meeting with the Ambassador from Burma later today. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Ms. KLOBUCHAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Rounds). Without objection, it is so ordered. Remembering Paul and Sheila Wellstone Ms. KLOBUCHAR. Mr. President, I wish to speak this afternoon to honor the memory of Paul and Sheila Wellstone. Today marks 15 years since we lost Paul and Sheila, their daughter Marcia, and staff members Tom Lapic, Mary McEvoy, and Will McLaughlin. Because Paul was such a memorable and incredible person, it is hard to believe that it has been 15 years since we lost all of them. For me, as for so many Minnesotans, it is impossible to forget the moment that we first heard about their plane going down. It is impossible to forget the wait to get the final news that there were no survivors. That is how much Paul and Sheila meant to the people of our State. I get my own special reminders every day. First, I get a reminder from the employees at the Capitol who were around when Paul graced these hallways. They remember him because he treated everyone with dignity. Whether it was the tram operator, the elevator operator, or the police at the front door, he treated them as though they were Senators. I also have the flags in my office from his Senate office. Every day, they are a reminder for me of Paul and all that he did for the people of our State. Paul and Sheila were always on the move. They were full of joy. They were persistent in their fight against injustices, small and large. During his lifetime as an educator, as an activist, and as a U.S Senator, Paul Wellstone touched the lives of people throughout Minnesota and across the country. That is because his philosophy was simple. A lot of people, he said, would have people paid to represent them in Washington, but he was going to represent the other people. As he said in one of his famous campaign ads, he wasn't there to represent the Rockefellers; he was there to represent the ``little fellers.'' If you go to any local mental health group, they remember Paul. If you go to any Somali event in our State, they remember Paul. If you go to any community on the Iron Range in Minnesota, they remember Paul-- both the man and then what he did. Paul was my friend and mentor. He told me that I should run for office, and, as he did with so many others, he taught me that politics should have a purpose. He also taught me how to campaign on city buses. This is how he would do it. At Nicollet Mall--being from a nearby State, the Presiding Officer is aware of Nicollet Mall in the city of Minneapolis. We would get on a city bus at one end of the mall, and we would work it as though we had just got on the bus: Meet everyone on the bus, go to the end, get off, and then get on another bus going the other way and meet a whole group of people. I have no idea what the busdrivers thought after an hour of this, but that is what we did. Paul Wellstone worked it bus by bus, block by block, precinct by precinct, and he made a lasting impression on people in a way that made them believe and know that getting involved in politics could make a real difference in their lives. He had an unending sense of optimism-- optimism that maybe people he didn't agree with in this Chamber would eventually change their views. He made a lot of friends here, on both the Democratic and Republican sides of the aisle. That was the message Paul took to new citizens, new voters, and everyone looking to get involved. He told them that working in public service can make a difference, and he showed them through his actions. He had many passions. He fought for everything from campaign finance reform to improving our rural economies. He fought against veteran homelessness, to protect the environment, and, of course, he fought for the rights of workers. He truly believed, as he famously said, that ``we all do better when we all do better'' and that politics is simply about improving people's lives. [[Page S6800]] Anyone who ever met or talked with Paul found out that he had a special passion for helping those struggling with mental illness. That was shaped by his own family. As a young child, Paul watched his brother Steven's traumatic descent into mental illness. In college, his brother suffered a severe mental breakdown and spent the next 2 years in hospitals. Eventually, he recovered and graduated from college with honors, but it took his immigrant parents years to pay off the hospital bills. Paul would always talk about how, when he grew up, his house was dark because no one wanted to talk about mental illness back then because it had so much stigma. He wanted to get it out in the sunlight. He knew that there were far too many families going through the same experience, too many devastated by the physical and financial consequences of mental illness. He knew that we could and we should do better. For years as a Senator, he fought for funding for better care, better services, and better representation for the mentally ill, and he fought for mental health parity in health insurance coverage. Even years after his death, Paul's voice was heard loud and clear. Congressman Ramstad from Minnesota, a Republican Congressman at the time, took up the cause in the House. I helped. Ted Kennedy led the way and, of course, Pete Domenici, who had paired up with Paul on this important bill. Finally, in 2008, we passed the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act. The bill requires insurance companies to treat mental health on an equal basis with physical illness. For Paul, this fight was always a matter of civil rights, of justice, and of basic human decency, and that landmark legislation is one fitting way we honor him. Sheila, of course, also dedicated herself to helping others, especially survivors of violence. I had the opportunity to work closely with Sheila when I served for 8 years as Hennepin County Attorney. She focused on domestic violence and was instrumental in creating and getting the funding for the Hennepin County Domestic Abuse Center. That center is an international model for serving victims of domestic violence by bringing together a full range of services and resources in one central location. Victims of domestic violence don't have to go through the redtape that would be difficult even for a lawyer to figure out. Of course, one of Paul's greatest legislative achievements was the work he did, along with Vice President Biden and others, to pass the original Violence Against Women Act. It was a team effort, and Sheila was right there on the frontlines with Paul. Together, they accomplished so much. Their commitment to others never wavered, and neither did they. It was just a few weeks before that tragic crash that I last saw Sheila and Paul. Sheila and I had been asked to speak to a group of new citizens, immigrants from Russia. It was a very small group, and we were there to talk about our own immigrant experiences, our own relatives. I remember she talked about her relatives in Appalachia, and I talked about my relatives on the Iron Range coming over from Slovenia. The event was winding down. It was a small, small event in a synagogue with these new immigrants, and, all of a sudden, a big surprise--in walked Paul. He wasn't supposed to be there. It was just a few weeks, a month away, from one of the biggest elections he had ever faced in the U.S Senate. But he had gotten on an early flight and had come home from Washington. There he was--he and a group of immigrants and us--with no press, no TVs, not even a big crowd, all just a few weeks before his election. He came for two reasons. He loved Sheila, and he wanted to be there to support her. But he was also there because he loved the immigrant experience. He embraced it. His family, like so many Minnesota families, was an example of how you can come to America, succeed in America, and then, in turn, help America succeed. That is my last memory of Paul as he stood before those immigrants, telling about his own story, embracing them. I will remember him in that way, but I will also remember the joy he felt for politics, how he would run around that green bus of his, with people running alongside him on the parade routes. In the last year of his life, he told the public he had MS, and he couldn't run like that anymore. So he would stand in the back of the bus with Sheila and wave. What was so amazing about it was that he had energized so many people in those green Wellstone shirts to run around that bus that you didn't even notice he wasn't running. He had given them the energy and the hope to carry on his work, and they were doing it for him. Now, 15 years after we lost Paul and Sheila, it is our job to carry on and run around that bus. That is organizing, that is politics, and that is the gift of joy in improving people's lives that Paul, Sheila, Marcia, and those other beloved staff members left for us. Thank you. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The assistant bill clerk proceeded to call the roll. Mr. FRANKEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Strange). Without objection, it is so ordered. Puerto Rico and U.S Virgin Islands Recovery Effort Mr. FRANKEN. Mr. President, I rise to talk about the devastation in Puerto Rico and the U.S Virgin Islands and the need to rebuild the electric grid in a more resilient and sustainable way. Over the last few months, communities around the country have been devastated by natural disasters. We have had terrible hurricanes in Texas, Florida, Puerto Rico, and the U.S Virgin Islands, as well as tragic wildfires across the West. These communities need immediate help, and that is why the disaster supplemental appropriations bill we passed yesterday is so important. I am glad this bill provides nearly $19 billion to replenish FEMA's emergency disaster accounts that help communities start to rebuild, but it is just a downpayment. As we know, it will take a lot more Federal assistance. One thing we need to focus on is the electric grid. Hurricanes Harvey, Irma, and Maria demonstrated the risks the electric grid faces from extreme weather. The communities hardest hit in Texas and Florida underwent days--sometimes much longer--without any power, and when this happens, it is a serious risk to the safety and health of everyone in the area. Now, American citizens in Puerto Rico and the U.S Virgin Islands are facing a major humanitarian crisis, and the Federal Government needs to do everything it can to assist. More than a month after Hurricane Maria hit, only 25 percent of Puerto Rico has access to electricity, and it will take many months to get power back to those communities. That is completely unacceptable. Without electricity, pumping stations can't supply drinking water to households. In fact, 25 percent of the island still lacks access to potable water. Without electricity, wastewater treatment facilities can't operate, which means raw sewage is contaminating rivers and streams. Without electricity, cell towers cease to function, making communication with first responders difficult. Without a stable electric grid, hospitals have to rely on backup power to keep lifesaving equipment working. That backup power is often diesel generators that require fuel, which is in short supply. Given the dire situation, it is no surprise that we have already seen tens of thousands of Puerto Ricans leave the island, with nearly 60,000 arriving in Florida alone. The majority of the transmission and distribution lines were destroyed in Puerto Rico and the U.S Virgin Islands. We need to rebuild them, and I think we can all agree they should be rebuilt to withstand the next disaster. So let's rebuild the electric grid in a more resilient and sustainable way that reduces future threats and future costs. I have been talking with my Republican colleagues and members of the administration, and everyone agrees this is a good idea. That is why I want to work with my colleagues on both sides of the aisle to include language in the next supplemental disaster aid package that does exactly this. I am talking about investing in a more modern and more decentralized [[Page S6801]] grid so that not everyone is relying on a handful of powerplants that can go down. Decentralized energy resources operating in microgrids are more likely to remain functioning during and after storms. There are many instances of distributed energy keeping important facilities online after natural disasters, including the Texas Medical Center, which is the largest medical complex in the world, which has a combined heat and power plant that kept running during Hurricane Harvey. That is because during extreme weather, these technologies can go into island mode or operate independent of the grid. Puerto Rico and the Virgin Islands have some of the highest electricity prices in the United States, and that is because they rely on oil, coal, and gas that must be shipped from the mainland. While these islands do not have fossil fuels, do you know what they do have? Lots of Sun. And the rapidly declining costs of distributed clean energy technologies such as solar, wind, energy efficiency, and battery storage, in many instances make them more affordable than existing power generation, which means these clean energy technologies could help reduce prices. These investments will also save money in the long run. In 2005, the National Institute of Building Sciences completed a study for FEMA that found that every dollar invested in disaster preparedness and resilience saves $4 in future avoided losses. We know we are going to see more hurricanes and extreme weather events, so let's rebuild in such a way that impacts are not as severe the next time around. Let's protect people and save taxpayer money. That is my message: Let's protect people, and let's all save taxpayer money and do the thing that makes sense. Thank you. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. WHITEHOUSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Climate Change Mr. WHITEHOUSE. Mr. President, it is nice to see the distinguished Senator in the chair presiding. I am not sure, in my 183 ``Time to Wake Up'' speeches, I have yet had the pleasure of speaking while the Senator was presiding. I am here to once again call for us to wake up to the corporate capture of Congress and this administration--the capture of governance by the fossil fuel industry that keeps us from honestly addressing climate change. There is a saying that ``personnel is policy.'' Well, the Trump personnel for positions at the Environmental Protection Agency reflect a policy to undo the public welfare mission of the Agency and align it with the special interests of the fossil fuel industry. There is a word for that. It is called corruption, at least as the Founding Fathers knew the meaning of that term. It starts at the top. Trump named Scott Pruitt head of the EPA. Pruitt has a long record of dark money fundraising and long, cozy relationships with Big Energy industry political donors. In effect, he is a tentacle of the fossil fuel climate denial operation, wiggling and wriggling in the Administrator's chair, near his new $25,000 ``cone of silence'' secret communications booth that he built so no one would hear him checking in with his masters. Results are as expected. The New York Times has reported: ``How Rollbacks at Scott Pruitt's EPA are a Boon to Oil and Gas.'' No surprise. In the 4 months that followed his appointment, Pruitt moved to undo, delay, or otherwise block more than 30 environmental rules benefiting his fossil fuel friends. This regulatory rollback, larger in scope than any over so short a time in the Agency's near-half century history, went straight into the pockets of the fossil fuel industry. Longtime Pruitt benefactor Devon Energy is cashing in dividends on its investment in Scott Pruitt's political career, as Pruitt is working to eliminate rules on the leaking and flaring of methane, and has rescinded requirements for reporting methane emissions. Devon, as you may recall, is that company whose letter to the EPA Pruitt put on his own Oklahoma attorney general letterhead to mask Devon's hand and submit their work as his own official work as attorney general of his State. So this hand-in-glove relationship between Devon as the hand and Pruitt as the glove goes back a long way. The EPA has career scientists and legal experts who bring decades of experience in environmental law and science to the EPA who are all being cut out as the Administrator takes drastic steps to undo environmental protections. Just this week, EPA scientists were yanked from a conference in Rhode Island where they were going to talk about climate change. The matter of climate change on Narragansett Bay in Rhode Island is pretty significant. This is the day's Providence Journal, our leading newspaper in Rhode Island. Headline: ``Will climate change negate Bay cleanup?'' It has a big map of Narragansett Bay with all the facilities at risk of being flooded and overwhelmed. It is front page news. It is a matter of extreme importance in Rhode Island, and EPA yanked out its scientists. They weren't allowed to come down and talk at an event where they were going to talk about climate change. It is not just yanking the scientists. Here is a New York Times article by Lisa Friedman from October 20. Headline: ``EPA scrubs a climate website of `climate change.' '' An EPA website has been scrubbed of scores of links. ``About 15 mentions of the words climate change have been removed from the main page alone. . . .'' It is not just at EPA. Here is today's exclusive headline: ``The Interior Department scrubs climate change from its ***strategic*** ***plan***.'' I mean, they act as if this is the Soviet Union and the government is allowed to tell scientists what they can say and not say and put phony propaganda onto official websites and keep scientists from going to meetings because they might actually tell the truth about climate change. I am the son and grandson of Foreign Service officers. I grew up serving in countries that did that, where the government could tell the scientist: No, you don't say that. No, you don't go there. No, this is the party line. I never thought that would happen in the United States of America--and here we are. To aid Pruitt in his fossil fuel industry crusade, our President has nominated a parade of fossil fuel lackeys, lobbyists, and operatives whose main qualification seems to be allegiance to their corporate clients and benefactors. It is not just the fossil fuel industry that gets their hacks planted in government offices. Do you remember in the ``Cat in the Hat,'' where they had Thing One and Thing Two running around? Let's look at Hack One and Hack Two, who just cleared committee today in the Pruitt ``EPA for Sale'' roster. Hack One is a toxicologist who consults for major chemical corporations and has spent the better part of his professional life fighting regulation of potentially toxic compounds in consumer goods. His name is Michael Dourson. President Trump nominated him to run the EPA Office of Chemical Safety and Pollution Prevention. A lobbying group for sellers of pesticides, fungicides, and rodenticides called Dourson ``a perfect fit'' for the job--the perfect industry hack for that job, more like. Hack Two is William Wehrum, nominated to run the EPA Office of Air and Radiation. Wehrum is a lobbyist who has represented a host of major industrial and energy corporations, and the Rubber Manufacturers Association, the American Forest and Paper Association, and the American Petroleum Institute. President George W. Bush actually nominated this guy to the same post in 2006, but the White House withdrew his nomination because it was so controversial. Well, that was 2006. That was before Citizens United. That was before that decision amped up industry power to the point where it can now ram through conflicted and objectionable candidates with--as happened this morning--unanimous Republican support. Not one Republican Senator on the committee would voice an objection. When Senators asked questions for the record in the Environment and [[Page S6802]] Public Works Committee nomination hearing on Wehrum and Dourson, these captured nominees played dumb about the central issues and ***programs*** they will oversee if confirmed. For instance, I asked Dourson if he agreed that ``the tobacco industry manipulated and obfuscated scientific research into the dangers of smoking for decades.'' Dourson, who conducted scientific studies designed, reviewed, and paid for by the tobacco industry and whose name is all over, in hundreds of places, the discovery records of the tobacco industry's denial operation, replied: ``I do not have firsthand knowledge to comment.'' I ``do not have firsthand knowledge to comment''? This is the President's selection to run the office that protects Americans from dangerous chemicals who doesn't know the tobacco industry's history of falsifying science? Please. He worked for them. He was part of it. Remember that the tobacco industry was taken to court by the U.S Department of Justice--back when the Department of Justice would take an industry to court--and the Department of Justice won a judgment declaring that tobacco had engaged in a fraud conspiracy to deny tobacco's harms. Dourson sees no evil. He knows nothing. I asked him whether he believes that hydrofluorocarbons are greenhouse gases and about the global warming potential of methane. His response: I am not sufficiently familiar with the definition of greenhouse gases and do not have the expertise to answer these questions. He is not familiar with the definition of greenhouse gases? This is basic high school science. Every one of us has a home State university that teaches this stuff. This has been science for more than 100 years. On to Hack Two, Bill Wehrum. When I asked Wehrum about carbon dioxide's role in the observable effects of climate change, he replied: ``The degree to which manmade greenhouse gas emissions are contributing to climate change has not been conclusively determined.'' This claim just doesn't match the scientific record. The EPA--the very Agency to which Mr. Wehrum is nominated, along with NOAA--states that ``carbon dioxide is the primary greenhouse gas that is contributing to recent climate change.'' This consensus is held by published climate scientists, by scientific agencies and societies, by all of our National Laboratories, and by universities in America and around the globe. As I said, every one of us in this room--I haven't found an exception yet, and I have looked, but I expect every Senator has a home State university that doesn't just know this to be true, but it teaches it in its curriculum. But Hack Two sees no evil. He knows nothing. Wehrum's disregard for well-established science provides a grim preview of what we can expect from him if confirmed. His predictable dodging falls in lockstep with Administrator Pruitt, who has stated he does ``not agree that [carbon dioxide] is a primary contributor to the global warming that we see.'' That puts him in a very small circle of people, every one of whom I think is connected by money to the fossil fuel industry. I asked Mr. Wehrum what he believes is a healthy standard for ozone. Now, bear in mind that one of the goals of the Clean Air Act is to set national ambient air quality standards for ozone, that the office to which he is nominated oversees this ozone standard, and that the EPA has had ozone standards in place since 1971, more than 45 years. In response to my question, Wehrum answered: ``I am not familiar with the current science on the health effects of ozone, so I cannot comment on your question as to the appropriate level of the standard.'' Really? I asked Wehrum whether he agreed with EPA's 2009 finding that the current and projected concentrations of greenhouse gases in the atmosphere threaten the public health and welfare of current and future generations. I asked if he would commit not to narrow or weaken the EPA's endangerment finding. Wehrum wrote back that he had not read the endangerment finding or the record prepared in support of the finding; therefore, he said: ``I currently do not have a view.'' I currently do not have a view? That is funny. I bet he had a view when he was being paid by the Rubber Manufacturers Association, the American Forest & Paper Association, and the American Petroleum Institute. I guess it was the miraculous, evaporating view. Maybe these ``see no evil'' nominees, Dourson and Wehrum, don't know the basics of the problems they would confront. Maybe they just don't know, but let's not be fooled here. Polluters have paid these nominees well for their services over the years. They were expert enough to be hired by industry groups as lobbyists and consultants. We know where their allegiances lie. We know who has been paying them. We know whom they will serve. A preview of coming attractions, coming up before the EPW soon is Andrew Wheeler, Trump's nominee for the EPA's second in command. Wheeler was a top lobbyist for the coal mining behemoth, Murray Energy. Not only did this company support Trump's campaign and provide $300,000 to help pay for his inauguration, Murray Energy has also donated to Pruitt-affiliated political action committees to the tune of hundreds of thousands of dollars. I can't wait to hear his answers on the role of coal in climate change, childhood asthma, and mercury poisoning. The sad part of all of this is, the polluting interests that own these nominees also throw their weight around in Congress. So good luck getting an honest look at this mess through congressional oversight. Over and over, appalling nominees get through confirmation with no Republican dissent, more ``see no evil.'' It is just wrong. For now, the American public will pay the price of dismantling these regulatory safeguards. They will pay the price in poisonings and carcinogenic exposures, in rising seas and raging wildfires, in childhood asthma and northbound tropical diseases. Mark my words, one day there will be a reckoning for all of this. When captured EPA officials put payback to their donors first and clean air and public health a way distant second, it stinks. It is crooked by any reasonable definition of the term. It is corrupt in exactly the way the Founding Fathers understood corruption. The fossil fuel industry will one day be held to account for this binge of corruption and manipulation. ExxonMobil, Koch Industries, Arch Coal, Murray Coal, Peabody Coal, you own this just as the Republican Party does. I yield the floor. The PRESIDING OFFICER. The Senator from Colorado. Healthcare Mr. GARDNER. Mr. President, I come to the floor this afternoon to talk about the Healthcare Tax Relief Act, legislation I introduced to delay the health insurance tax that was created by the Affordable Care Act. This tax is often referred to as the HIT tax. The HIT tax imposes fees on health insurance coverage to consumers. It is a pretty simple business concept that this HIT tax results in. If a fee increases on an insurance policy and the fee goes up--there is a fee charged to the company that issues this insurance policy--then that fee gets passed on to the consumer. It is the consumer, then, who pays the fee in the form of higher health insurance costs. As is the case with most excise taxes, whether it is an excise tax on food or beverage or any other item of personal good, if this health insurance tax takes effect, costs will be passed on to consumers directly in the form of higher premiums. That is confirmed by the Congressional Budget Office. This is one of the cost drivers that was built into the Affordable Care Act. This health insurance tax would directly increase the premiums of the consumer's insurance product. This tax was supposed to begin a few years back in 2014. It was going to start at $8 billion, and by 2018 the tax would reach $14.3 billion. However, Congress recognized that this tax was going to have a significant impact on the price of coverage and, as a result, suspended the tax from taking effect in 2017. Without congressional action to delay or stop or prevent this ObamaCare tax from taking place again, this tax will take effect in 2018. According to nonpartisan actuarial analysis conducted by Oliver Wyman, [[Page S6803]] an estimated 157 million Americans will be affected by this massive tax. Even more middle-income earners across this country, 157 million Americans and working Americans, are expected to shoulder the weight of this tax. Oliver Wyman estimated that premiums will rise by 3 percent in each year; 2018, 2019, and 2020. That is 3 percent each year. That is 9 percent over 3 years. To put this in simple perspective, in Colorado alone, premiums in the individual market rose by 34 percent from ***plan*** year 2017 to ***plan*** year 2018. Adding an additional 3 percent every year for those 3 years would leave those on the individual market paying nearly 43.3 percent, on average, more year to year if combined with the 2018 increases at the end of that 3-year, 9-percent increase run. What is more, according to the Department of Health and Human Services, the average individual market premiums have increased by 105 percent from 2013 to 2017. Think about that. When the Affordable Care Act passed, when ObamaCare was passed, a promise was made that the average family would see a decrease in their healthcare costs of $2,500 per family, but, instead, from 2013 to 2017, they saw a 105-percent increase in costs. If the health insurance tax takes effect, as ***planned*** by ObamaCare, then we would see another 9-percent increase over the next several years on top of that. Without congressional action to delay this tax, estimates show that costs will rise between $200 and $300 annually for individuals and $500 annually for families. That is a $200 to $300 increase for individuals and a $500 increase annually for families. To put that into some perspective, 25 percent of Americans don't have access--emergency access--to $100. In an emergency, 25 percent of Americans don't have immediate access to $100. Yet here we are talking about a mandated law--you have to have insurance coverage under the Affordable Care Act--but this law would then increase costs $200 to $300 on an individual and $500 annually for families. Statistics from the Federal Reserve show how much of a hardship this would create. The Federal Reserve found that 46 percent of Americans did not have enough money to cover a $400 emergency expense. Yet the ObamaCare HIT tax would increase family insurance costs by $500. Forty- six percent of Americans don't have access to $400 in an emergency. Yet the ObamaCare HIT tax would increase it by $500. This tax has the potential to push over half of Americans into financial ruin, and it would be negligent for Congress to allow this tax to take effect. The financial threat this tax imposes on hard- working families is a far cry from that bold promise that was made to reduce costs by $2,500 per family--one of the biggest Pinocchios, so to speak, of the Affordable Care Act. At a time when we know that almost half of Americans could not shoulder a $400 emergency expense, it would simply be irresponsible to allow this ObamaCare HIT tax to take effect. Furthermore, the impacts of this tax touch our seniors who have earned their benefits as well. For seniors enrolled in Medicare Advantage ***plans***--and Medicare Advantage is one of the most popular aspects of Medicare--premiums are expected to rise by roughly $370 a year per enrollee if Congress doesn't find a resolution. In many cases, these are fixed-income individuals who would see their premiums increase $370 a year because of the ObamaCare HIT tax. In addition, seniors enrolled in Medicare Part D prescription drug ***plans*** can expect their premiums to increase as well. Hit them on their Medicare ***plans*** and hit them on the prescription drug ***plans***--higher costs due to this ObamaCare HIT tax. Even more, the impacts of the health insurance tax have large-scale consequences in the workplace as well. A study by the National Federation of Independent Business found that allowing the HIT tax to take effect could result in job losses for as many as 283,000 people by 2023. This tax could have the impact of costing 286,000 jobs by 2023. Research and analysis from our most respected actuaries continue to validate the negative consequences of the health insurance tax. On behalf of all hard-working Americans, I call upon my colleagues in the Senate to join me in cosponsoring this commonsense piece of legislation, the Healthcare Tax Relief Act. Healthcare ***plans*** are being finalized right now for the 2018 rate year, and it is urgent for Congress to take action so that consumers are not saddled with yet one more cost that they can't afford. Mr. President, I yield the floor. The PRESIDING OFFICER. The Senator from Michigan. Recognizing the University of Michigan's Bicentennial Mr. PETERS. Mr. President, I rise today to recognize the bicentennial of the University of Michigan. The university has adopted the motto ``Always Leading, Forever Valiant'' for its bicentennial year--a motto that captures its 200 years at the forefront of American academic excellence. The genesis of the University of Michigan predates the founding of my home State of Michigan. On August 26, 1817, Lewis Cass, Governor of the Michigan territory, enacted a charter to create the University of Michigania, aligned with territory judge Augustus Woodward's envisioned System of Universal Science. In 1852, the university's first president, Henry Philip Tappan, pioneered a model of higher education in which scholars do not settle for existing knowledge but actively pursue new knowledge through rigorous science. This approach solidified the university's enduring legacy as a center for scientific research and discovery. The university has paved the way for future innovation with many firsts throughout the 19th and 20th centuries. It was the first university with a chemical laboratory, the first to own and operate a hospital, the first to teach aeronautical engineering, the first public university with dental and pharmacy schools, and the first with a ***program*** in human genetics. Perhaps the most game-changing first--it was the first large State university to open its doors to both men and women. Today, faculty and students continue to reach new firsts by answering important research questions that will affect future generations. Take, for instance, how the university has laid the groundwork for breakthroughs in American mobility. In 2015, Mcity, a public-private partnership led by the University of Michigan, became the world's first controlled environment designed to test connected and automated vehicle technologies. The 32-acre simulated urban and suburban landscape is designed to support rigorous, repeatable testing of self-driving car technologies before they are tested on public roads and highways. This hub of innovation reflects our State's legacy as the heart of the American auto industry and will help lead our country into the next era of transportation. A similar nexus between our past and future is true across nearly every discipline that U of M's research touches--engineering, medicine, social sciences, humanities, and more. Students and faculty are developing new cancer treatments, creating energy-efficient batteries, engaging in cutting-edge environmental science to protect the Great Lakes, and building prototypes of engines to take us to Mars. That is just to name a few. Tied with the University of Michigan's drive to pursue knowledge is its drive to put that knowledge into action for the greater good. At its core, the university's mission is to serve society. This has been demonstrated by its history of activism and civic engagement. The university commemorates one such event that occurred on October 14, 1960. Senator John F. Kennedy, whose former desk is just a few feet in front of me here today, delivered an unplanned speech on the steps of the Michigan Union at 2 a.m He challenged University of Michigan students to work abroad in developing nations in an effort to promote peace. These remarks laid the blueprint for the U.S Peace Corps, which was established in 1961. The University of Michigan continues to have a truly global reach. It provides a world-class education to a diverse student body of 63,000 students on its Ann Arbor, Dearborn, and Flint campuses, educating instate, out-of-state, and international students alike. They are drawn to the university's unfaltering endeavor to expand our [[Page S6804]] base of knowledge and empower individuals to leave a lasting and positive impact on the world around them. With more than 572,000 living alumni--including my daughter Madeline, who just graduated this past May--the University of Michigan has one of the largest alumni networks, full of artists, astronauts, business and government leaders, entrepreneurs, and humanitarians, as well as Nobel laureates in economics, medicine, and science. The University of Michigan's many illustrious alumni include U.S President Gerald R. Ford, Swedish diplomat and humanitarian Raoul Wallenberg, Pulitzer Prize-winning playwright Arthur Miller, actor James Earl Jones, civil rights leader Mary Frances Berry, Google cofounder Larry Page, and author and scholar Robin Wright. Many more alumni will follow in these footsteps. They share a drive to make what is affectionately known as the Michigan Difference and, of course, cheer for the Maize and Blue. I would like to congratulate the University of Michigan on its bicentennial as we look forward to a future driven by Michigan innovation. With that, I will close with something very simple: ``Go Blue!'' Mr. President, I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Ms. HASSAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Gardner). Without objection, it is so ordered. Opioid Epidemic Ms. HASSAN. Mr. President, I rise today to discuss an issue that is devastating families and communities in my home State of New Hampshire and across the United States: the fentanyl, heroin, and opioid crisis. This crisis is the most pressing public and safety challenge that New Hampshire faces. It does not discriminate. It affects people in every community and from every walk of life. In 2016 alone, 485 people in New Hampshire lost their lives as a result of this epidemic. The rising use of synthetic drugs like fentanyl is making matters worse, killing people faster with smaller amounts. Last year, 72 percent of drug-related deaths in New Hampshire involved fentanyl. Behind those numbers are real people--moms and dads, sons and daughters who are dying. Their loss reverberates in pain and suffering for the family and friends whom they have left behind. The people of my State have a longstanding tradition of sharing their stories and their priorities with their elected officials who represent them. Everywhere I go, I hear stories from those families and friends of people who have been affected by this crisis. Granite Staters are stepping forward and explaining what they have gone through, all in an attempt to break down the stigma of addiction, push for solutions, and hope that they can help others by making their voices heard. Earlier this year, Greg and Linda of Derry, NH, reached out to my office to share the story of their son, who was also named Greg. They wrote to say: If you were to put a name and face to this disease, it would be that of the devil. Let's change that. Let's put a face of hope and humanity to the disease of addiction. If by doing so, even if just one life is saved, it is worth it. I would like to share some of Greg's story today. Greg was born on November 16, 1985. He and his younger brother Neil were raised in a caring and loving home, where their parents did their best to teach them right from wrong, stressing the importance of being considerate, polite, and kind. When Greg was 15, his parents moved to Derry, where he attended Pinkerton Academy and graduated with honors in 2004. During his senior year, like so many other students his age, he applied for college, eventually deciding on Keene State College, pursuing a major in biochemistry. He had a dream of becoming a physician. He excelled academically, but his mom Linda said that during his transition between his freshman and sophomore year, something began to appear off. She wrote: I saw firsthand that something was off about him. He was very quiet and withdrawn. He was showing obvious signs of depression which runs in both sides of the family. Even as his depression progressed, Greg battled through. He graduated cum laude with a bachelor's degree in biochemistry. After graduating and moving back home, his parents urged him to seek help, but Greg held back. During this time, he had an outpatient surgery, after which he was prescribed an opioid-based painkiller. His mom said that after he was prescribed that opioid, he went from bad to worse. Eventually Greg sought help. He saw a physician and was prescribed an anti-depressant. His mom said he seemed to be coming back around; he seemed happier. He took steps to advance his career, hoping to find a job with his biochemistry degree that would offer him a reimbursement on tuition so that he could continue to pursue a career in medicine. Though the job market was tough, his mom said: Hands down, I have to say that one of the happiest days of my life was when he finally got a decent job. . . . The dark cloud was lifted--temporarily. Unfortunately, Greg eventually lost that job, and then things spiraled out of control. His mom wrote: The years following were a nightmare to remember. Just imagine a loved one slowly losing all sense of themselves. Legal trouble, bouncing from one job to the next, losing his license more than once while we drove him back and forth from jobs--some an hour away. A restraining order here, a night in jail there. Debts that weren't getting paid. Fits of rage, fights, a lack of interest in family, friends, and basic hygiene. She said: By the time our worst fears were confirmed, he was using heroin, we basically lost the soul of our son. Greg's last few years were filled with back-and-forths. He had overdosed, his brother finding him in the bathroom of their home. Tired of being dependent on heroin, he sought help, signing up for a methadone clinic, entering rehab, and giving his parents hope that he would make progress. Unfortunately, he started to use again but was getting ready to enter a drug court ***program***. After joining his family on a vacation to visit an ailing relative, he decided to clean up his act, going to the gym and eating right. Tragically, though, his mom wrote: This was short lived however, as the demon snuck into his room and stole him from us. All he left for us was a lifeless body on the floor behind a locked door. Greg's death and his heartbreaking story is the story of far too many people in New Hampshire and across the country, of people with dreams, hopes, and aspirations, whose lives are cut short as a result of this illness. Greg wanted to be a doctor. He wanted to be a husband and a father. He loved dogs and video games, and he loved to watch Patriots games on Sunday with his mom, his dad, and his brother. As his mom put it: Brilliant and head strong, he was to be reckoned with, and as his parents, we will never stop trying, on his behalf, to see that there is an end to this epidemic. His parents wanted to make clear that his substance use disorder really grew as a result of the opioid he was prescribed following surgery, a painkiller that was originally manufactured for terminally ill patients. They believe that pharmaceutical companies marketed this drug at the expense of their son, saying: ``Given to ease pain and suffering, ironically, it has caused irreparable pain, suffering, and death.'' We can never thank families who have lost loved ones enough for speaking out about this issue and for working tirelessly and courageously to try to prevent others from suffering as they have. Nor can we forget to thank law enforcement and first responders who are on the frontlines of this epidemic. I want to make a special mention of Greg's father, Greg senior, who is a firefighter in Nashua, witnessing as a first responder every day the havoc that this crisis wreaks on other families and living with the reality of his own family's loss too. Greg's mom said that at the moment of his death, she vowed that she would ensure that his life would not be in vain. His family reached out because they wanted to make a difference. I am grateful for their efforts to do this because they do, in fact, have the ability to make change. Speaking up helps break down the stigma that prevents too many from seeking help and prevents too many others from offering it. It provides a [[Page S6805]] voice to the voiceless, making those who have died more than just a statistic. It gives us a perspective from which we can learn, and it pushes us to take action. While thanking these families for their bravery is appropriate, it is simply not enough. Their bravery and their struggle must be marked by constant vigilance and urgent action. We must continue to focus on an ``all hands on deck'' approach at all levels of government and with those on the frontlines in order to make progress, save lives, and end this epidemic. I am going to continue fighting and working with Members of both parties to combat this crisis, and I will continue sharing the stories of the people of my State. It is up to all of us to stop this from happening to more families. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Ms. WARREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Healthcare Ms. WARREN. Mr. President, on September 30, the Children's Health Insurance ***Program*** expired. It has now been 25 days since the Congress has put our children's health and well-being on the back burner. My colleagues and I do not think that children's health belongs on the back burner. So we have come to the floor of the Senate to spend the afternoon speaking up for kids. Thank you to everyone who joins me today to say that we should not wait any longer to make sure that children, community health centers, and new mothers have access to the healthcare ***programs*** that they need. Republicans control Congress. It is up to them what we vote on and when we do it. So what was more important to the Republican leadership than the health of little kids? Republican leaders blew through the days before the children's healthcare deadline by trying to repeal healthcare for millions of Americans. Once the Children's Health Insurance ***Program*** had already expired, Republican leaders burned through more time by holding a series of votes on a budget with giant tax cuts for billionaires and giant corporations that would also gut Medicare, Medicaid, and a bunch of ***programs*** that help working families. Republicans jammed through their terrible budget without a single Democratic vote last week, 19 days after blowing past the deadline to fund healthcare for kids. Last night, 24 days past the deadline to make sure the kids had healthcare coverage, what were Republican leaders doing? Republican leaders stayed up late into the night holding a vote to make it easier for financial institutions to cheat people. The days continue to tick by--24, 25. Tomorrow Members of Congress will leave for the weekend, 26 days past the deadline, and still there will be no vote to fund this critical ***program***. Senator Ted Kennedy and Senator Orrin Hatch, a Democrat and Republican, wrote this legislation together back in the late 1990s. The Children's Health Insurance ***Program***, also called CHIP, provides health insurance to low-income children and to pregnant women. Senator Kennedy and Senator Hatch created this ***program*** because they knew that providing healthcare coverage for children would make them healthier as children and healthier even after they grew up. They knew that some children were slipping through the cracks, and this was their solution. The children covered by CHIP didn't qualify for Medicaid, they weren't covered by employers, and they couldn't afford to buy private insurance. In 1997, 15 percent of all the children in this country lacked any form of health insurance coverage. Today, because of the CHIP ***program*** and the Affordable Care Act, that number has shrunk to 5 percent of children. CHIP works with Medicaid to provide health insurance for one out of every three kids in this country. States choose whether or not they want a CHIP ***program***. Here is the deal. Every single State has chosen one because every single State recognizes the value of providing their children with healthcare coverage. In Massachusetts, the percentage of children with healthcare coverage is even higher than the national average. It is at 99 percent. We are doing something right here. The original ***program*** was set for 10 years, and since then, every few years, Congress has had to act to reauthorize the ***program*** so that children can continue to get healthcare coverage. The CHIP ***program*** has been reauthorized four times since 1997, and not one of those times has Congress missed the deadline--not one--until now. In fact, in past years, Congress has made sure to reauthorize the ***program*** many months ahead of its expiration in order to give States the time they need to ***plan*** their budget. It sounds like a pretty sensible thing to do--but not this year. We are 25 days past the deadline for reauthorizing CHIP--25 days and counting. This isn't fair to States, to kids, or to their families. So what actually happens now? Well, the money runs out. Eleven States are set to run out of their CHIP funding by the end of 2017, and the others, soon after. Our Republican Governor in Massachusetts sent me a letter on day 3 past the CHIP deadline, and he wrote: Parents are already afraid that their children's insurance may be lost in the near future. With each passing week, their fears continue to grow. My Governor is right. States have to start making tough decisions. They may have to decrease enrollment, turning away sick little kids who qualify for coverage but don't make it through the door on time. They could start kicking kids off of their insurance saying: Sorry, we just can't help anymore. Or they could be forced to make tough calls on benefits: We can't cover the wheelchair you need to get around. There is no physical therapy or no prenatal care until the funding comes through again. That is just flat out immoral. Tax cuts for billionaires shouldn't come before making sure that a sick kid gets the help he or she needs. Mothers are lying awake at night. Fathers are tossing and turning, worrying about their healthcare coverage. What is the Republican leadership doing? Tomorrow they will be heading home for the weekend without lifting a finger to fund a bipartisan ***program*** that has been reauthorized four times over the past 20 years. If that isn't bad enough, September 30 wasn't just the deadline for Congress to reauthorize CHIP. We also blew past the deadline on several other healthcare ***programs*** to help children, to help pregnant women, to help older Americans, and to help the chronically ill. We blew past the deadline to reauthorize the Community Health Center Fund and the National Health Service Corps, which funds health centers and supports healthcare workers that provide children with high-quality primary care. We blew past the deadline to reauthorize the Maternal, Infant, and Early Childhood Home Visiting ***Program***, which funds home visits to new and expectant parents to give them help keeping a new baby healthy and safe. We blew past the deadline to reauthorize the Special Diabetes ***Program***, which funds diabetes research that could offer hope to many children living with diabetes. When a kid is sick, moms and dads move Heaven and Earth to get them the care they need. They don't wait 25 days to go to the doctor and check to see if something is wrong. They stay up all night to make sure their little ones are all right. They wait outside the hospital room, pacing until they get an answer, but Republican leaders in Congress just don't seem to care. They don't seem to care if these families have the health insurance coverage they need so they can get an x ray or pay for an antibiotic or run some tests. Twenty-five days, 26 days, 27 days--it just doesn't seem to matter to Republican leaders, but it sure matters to moms and dads and kids in Massachusetts and all over this country. Senator Kennedy used to say: ``The test of greatness for a nation is how it cares for its children.'' Right now Republican leaders in Congress are failing that test. My colleagues have come to the floor today to say that time is up. We are here to fight for kids. I yield the floor. The PRESIDING OFFICER. The Senator from Delaware. [[Page S6806]] Mr. COONS. Mr. President, I rise in support of my colleagues who have come to the floor to urge the Senate to quickly pass funding for the Children's Health Insurance ***Program***, known as CHIP. CHIP provides comprehensive health insurance to 9 million low-income children who don't qualify for Medicaid, including 18,000 children in my home State of Delaware. Lots of other States would say that 18,000 children is a small number, but in Delaware that is a significant population. Bluntly, whether it is 1 or 100 or 1,000 or 18,000, how can we allow inaction in this Chamber to put at risk the healthcare of millions of children across our country? It has now been more than 3 weeks since funding for CHIP expired. While some States have enough money in their accounts to carry them through to the end of the year or just beyond, the uncertainty about when or if CHIP funds will be reauthorized is causing chaos, concern, and anxiety across the country. Some States will have to start issuing notices to households that they will face the loss of CHIP coverage. Imagine the unnecessary fear this will bring to parents and families and struggling households across the country as they are facing other challenges in their life. This is totally unnecessary. We can stop this uncertainty right now and bring needed stability for parents, children, and States and show some kind of leadership from our Federal Government. I am a proud cosponsor of the bipartisan KIDS Act, S. 1827, being led by Senator Orrin Hatch of Utah and Senator Ron Wyden of Oregon. This KIDS Act would extend funding for CHIP for 5 years. I urge the Senate to do right by America's children and America's working families and swiftly take up and pass this bill. While we are on the topic of ***programs*** desperately in need of reauthorization, I also want to draw attention to the expiration of the Community Health Center Fund, which ensures access to cost-effective primary and preventive care for 26 million patients across the country. In my home State of Delaware, about 50,000 Delawareans benefit from several community health centers that are widely respected, well run, and provide affordable, accessible, and preventive healthcare in communities up and down my State. Funding for this critical ***program*** also lapsed more than 3 weeks ago, and now, sadly, community health centers across my State and across the country are struggling to make key decisions--decisions like signing new leases or signing on new medical personnel to positions. Without certainty that the Federal Government will authorize their funding, how can we expect health centers to ***plan***, to provide services, and to provide preventive healthcare that improves health and strengthens our community? We should do everything we can to swiftly pass a 5-year reauthorization for funding for community health centers, such as the bipartisan bill that Senator Blunt of Missouri and Senator Stabenow of Michigan have introduced, the Community Health Investment, Modernization, and Excellence Act of 2017, S. 1899, which I am proud to support. Folks, I urge that we work together in a bipartisan way. We should not be using children's access to healthcare as a bargaining chip. We should be taking up these two bills to provide reauthorization, funding, and certainty immediately for both CHC and CHIP funding now and without hesitation. With that, I yield the floor. The PRESIDING OFFICER. The Senator from Pennsylvania. Mr. CASEY. Mr. President, as you know, the Children's Health Insurance ***Program*** expired on September 30, in large part because we spent much of this year and the days leading up to that date debating the repeal of the Affordable Care Act, instead of focusing on bipartisan priorities like the Children's Health Insurance ***Program***. As a result, the ***program*** known as CHIP expired and the health of 9 million children, including some 340,000 Pennsylvania children, are now at risk. CHIP is not just a bipartisan ***program*** but a successful ***program*** with a Pennsylvania history. It was modeled after a State ***program*** in Pennsylvania that was signed into law by my father when he served as Governor in the early 1990s. The ***program*** provides affordable health insurance to children whose family incomes mean they don't qualify for Medicaid but still struggle to find affordable health insurance options. It is a ***program*** that working families rely upon and that provides peace of mind to parents. Many families turn to CHIP during times of economic hardship, such as when a parent loses his or her job. At such a stressful time, I have heard from parents over and over how they have peace of mind knowing that their children will get the healthcare they need. Some parents who rely upon CHIP for their children are, in fact, students, working and going to school so they can make that leap into stable, middle-class life. They may not have a job with health insurance or they may not be able to afford the insurance, but they know their children will get the healthcare they need. Regardless of what drives families to the CHIP ***program***, it is thanks in large part to CHIP that the United States of America has the highest rate of insured children in our Nation's history. According to the Census Bureau, 95.5 percent of children had health insurance in 2016. CHIP is also a popular ***program***, as repeated studies have demonstrated. Parents think CHIP is a valuable ***program***, and they are satisfied with the coverage and with the care their children receive. Unless the Senate acts and acts very soon, we will have betrayed all of those children and all of those families. There is no reason for CHIP to have expired and no reason why we shouldn't pass the bill right now, if not in the next couple of days--certainly, in the next 2 or 3 weeks--to ensure that not one single child loses his or her health insurance. We have taken important steps to extend the ***program***. The Finance Committee marked up the bipartisan Keep Kids' Insurance Dependable and Secure Act of 2017, known by the acronym K-I-D-S, or KIDS. The KIDS Act came out of the Finance Committee, which reauthorizes CHIP for 5 years, and that happened some 3 weeks ago. I am proud to be a cosponsor of that bill. So it is time to act. We have a commonsense, bipartisan, successful bill in the Senate that is ready to go. It is out of the Finance Committee. So I would urge my colleagues to join me and to join others who have come to the floor today and on earlier days to take swift action to pass the KIDS Act. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Lee). The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. BROWN. Mr. President, healthcare for our Nation's children is something we ought to be able to all come together on, but this Congress, which has not done much of anything, is always able to find a way to help Wall Street. Think about the middle-of-the-night vote last night, where the Vice President of the United States came to the rescue of Equifax and the rescue of Wells Fargo and the rescue of Wall Street overall. Think of the celebrations last night on Wall Street because of that tie vote, which stripped consumers of their days in court. It stripped consumers of their consumer rights. This Congress, when it came to the Children's Health Insurance ***Program***, allowed it to expire at the end of last month. It left millions of families afraid they will lose healthcare for their kids. Think about what this uncertainty means for parents. Trying to make sure your children are safe and healthy is enough to worry about. Families shouldn't have to fear losing coverage for their kids because of some politicians in Washington. All of us have taxpayer- funded health insurance. Some politicians in Washington don't seem to care much about these kids. In my State, more than 200,000-plus children have insurance under CHIP. So even if something happens to their parents--even if they lose their job or their insurance--those 200,000-plus children in Ohio have insurance because of CHIP. But it expired on September 30. Governor Kasich is a Republican. I am a Democrat. We stand together on [[Page S6807]] this, as we stand together protecting Medicaid and as we stand together protecting the Affordable Care Act. He tells us that there is still a little bit of money left over in Ohio to get us through these next few weeks until Congress does its job. But that doesn't mean parents don't worry about their children possibly losing their health insurance. Kids on CHIP are a little more likely to have asthma or a little bit more likely to have an illness, in part because they are low-income kids and they may live near a bus line and the air they breathe may not quite be so good. Or they live in Appalachia, where they might not be able to get to the doctor quickly. Those kids are more at risk, and those parents are worried, even though Governor Kasich assures them and I assure them we are going to do this. Congress worked into the middle of the night last night and debated for hours on a giveaway to Wall Street. They debated for hours on helping Equifax, which abused the public trust of 145 million people--5 million in my State. They bailed out Wells Fargo, which fraudulently attacked, for want of a better term, 3.5 million customers. Congress can bail them out, but it can't pass the Children's Health Insurance ***Program***? Because of CHIP, 209,000--I said more than 200,000 before; more precisely, 209,000 Ohio children have access to affordable healthcare today--healthcare they may not have received otherwise. That is the importance of this ***program***. It used to be bipartisan until this Congress, always in its rush to help Wall Street, forgot about these children. This ***program*** provides peace of mind for parents. Regardless of income, when a parent knows that a daughter or a son has health insurance, it provides peace of mind. They know if their child has a sore throat or earache, they don't have to wait until the child is so sick they take her to the emergency room. They won't have to hesitate or wonder if they can afford the doctor visit or antibiotic. They get the care their kids need. Most of us in this body are parents. Most of us in this body have insurance provided by taxpayers. Wouldn't you think that this would be important enough to Leader McConnell and the leaders of this body and to President Trump and to Speaker Ryan? Wouldn't you think it would be important enough? We all talk about loving our kids. We talk about grandchildren. Most of us are at the age where many of us have grandchildren. We don't care enough about these children as we get insurance from taxpayers. We don't care enough about these kids to do this? It has already been 3 weeks now since CHIP expired. CHIP means a child in Cincinnati or Dayton or Portsmouth or Akron or Youngstown or Mansfield can see a family doctor when they need it, preventing a costly ambulance ride and emergency room visit. CHIP means getting vaccines and shots. It means having dental coverage. We know what happens to low-income kids who don't get good dental care. The State of Ohio probably has enough money to help protect CHIP kids through the end of the year, but Congress needs to act now. I have met with CHIP families across Ohio. Let me tell you some stories. Josh, whom I met in Cleveland--his children were covered by CHIP when he was laid off from his job. He said, ``The ability to take health insurance out of the equation, feeling confident that my family will continue to get the same quality of care they had while I was working, was a huge weight lifted.'' Think about that. This father, knowing that he has insurance--he had plenty of things to worry about. He lost his job. Who knows what that means about their home and their lifestyle and their family? But at least he knew he could rely on insurance--until now. Look what this Congress has failed to do. Think about Noble from Columbus, who came to my office earlier this year with his mom to talk about how important CHIP is. Noble relies on CHIP for coverage for the five pediatric specialists he sees at one of America's great hospitals, Nationwide Children's Hospital in Columbus. My colleagues need to think about Josh and his kids in Cleveland and Noble and his mom in Columbus. We need to think about the mother of a son with diabetes, worrying about whether her son will be able to see the same doctor next year or about a father with a daughter with asthma, praying she doesn't lose her inhaler on the playground because in a few months they might not have insurance to pay for that inhaler. My wife has asthma, and I know what that means. She had a father who had health insurance through his union ***plan*** with the Illuminating Company in Northeast Ohio. He worked maintenance. It was a good blue- collar job. It didn't pay enough to send her to college, but it did pay enough with good insurance that it gave them a decent lifestyle. They didn't have CHIP back then. More people had union ***plans***. More people were protected. We used to have CHIP until September 30, when this Congress didn't care enough to provide it. We should not be playing politics with families' lives. Two years ago, I led the fight in this body to protect CHIP. Because of that work, with the support of advocates all across Ohio--and there are so many of them across the country--we extended funding for CHIP for 2 years. Again, this was with bipartisan support, back when Congress operated that way. We have already come a long way this year. We passed a 5-year extension of CHIP out of the Senate Finance Committee. It had every vote in that Committee, with the exception of one. I thank Senator Hatch and Senator Wyden and my colleague from Ohio, Senator Portman, and so many of our colleagues for their help with that. But this process is taking too long. Josh and Noble and the 209,000 Ohioans and 9 million children across the country are in a situation in which their parents are unsure of whether they will have insurance through the end of the year and next year and the year after. It is time for us to come together to ensure that the families we work for have the healthcare they need for their children. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Ms. HIRONO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Ms. HIRONO. Mr. President, Donald Trump and the Republican Congress have spent most of the past year pushing their misplaced priorities, no matter the direct and collateral damage it causes for millions of Americans across the country. There are many examples to choose from to illustrate this point. Just last night, the Vice President had to come in and break a tie to protect huge corporations from the victims of the frauds they perpetuated. Now they are putting together a huge tax cut for the wealthiest people in our country, and they are trying to sell it as a raise for the middle class. In Hawaii, we call this shibai--or B.S But there is perhaps no issue in which Donald Trump's dangerous agenda has caused more harm than his quest to deprive millions of Americans the healthcare and the health insurance they need. His first attempt at repealing the Affordable Care Act would have thrown as many as 30 million people off of their health insurance. Thanks to the combined efforts of so many people--active people, engaged people across the country--we defeated this proposal. A few months later, continuing the assault on healthcare, Donald Trump renewed his attack on our healthcare system under the so-called Graham-Cassidy bill. But once again, the combined outrage of millions kept the bill from coming to the floor. In the time they spent on their single-minded, unrelenting quest to repeal the Affordable Care Act, Donald Trump and Republicans in Congress have allowed authorization for the Children's Health Insurance ***Program***, or CHIP, to lapse. Nearly 30,000 children in Hawaii and more than 9 million across the country depend on CHIP for their healthcare. You heard just now my colleague from Ohio tell you stories about the children in Ohio--children with asthma. In Hawaii, we have children with asthma, children with diabetes. [[Page S6808]] Nearly 30,000 children in Hawaii who rely on CHIP for their healthcare are being affected by our inaction. Primarily covering children from low-income families who earn too much to qualify for Medicaid, CHIP provides critical and much needed care for children with complex medical conditions. Although existing funding has allowed States to stretch budgets to keep the ***program*** in place, money is quickly running out. If we don't take action soon, as many as 4 million children could lose their health insurance entirely--4 million children. Congress cannot and should not be complicit in what I would call gross negligence. It is not negligence; it is gross negligence. CHIP has traditionally enjoyed bipartisan support. In fact, it emerged from the committee with bipartisan support. I am glad Senators Wyden and Hatch have come together to create the KIDS Act, which I have cosponsored. This bill would extend CHIP's authorization and funding through 2022 and provide much needed certainty to millions of families across the country. If we brought this bill to the floor right now, it would pass. It would clearly have the votes to pass. The only question is, Why don't we do it? Why don't we provide healthcare to millions of children in our country, for Heaven's sake? I cannot believe that my colleagues on the other side of the aisle are afraid to risk incurring the wrath of a vengeful President. I cannot believe that is what is keeping them from doing the right thing. I encourage the majority leader to bring this bill to the floor for a vote as soon as possible. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. MARKEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. MARKEY. Mr. President, this summer the Children's Health Insurance ***Program***, or CHIP, turned 20 years old. I served on the House committee that created this bill and was proud to support providing the affordable comprehensive health insurance to low-income children and pregnant women. It is a bipartisan ***program***, and it is an effective ***program***. Last year alone, CHIP covered nearly 9 million children throughout the country. In Massachusetts, CHIP has been instrumental in achieving near-universal coverage for our children in the Bay State. Yet, instead of celebrating CHIP's successes over the last two decades, congressional Republicans have placed CHIP in programmatic purgatory. That is because they allowed CHIP to expire at the end of September. Instead of focusing on reauthorizing this critical healthcare lifeline, Republican leadership chose to waste months of time trying to repeal the Affordable Care Act. They let just one of these successful ***programs*** lapse while they tried unsuccessfully to end another. They were more interested in ripping healthcare coverage away from millions of Americans and taking a machete to Medicaid rather than protecting our Nation's children. We should not forget that CHIP stands on Medicaid's shoulders. Any fundamental changes to how Medicaid operates--whether it is block- granting or capping the ***program***--will hamstring CHIP's ability to serve children as effectively and efficiently as it was intended to do, but instead of immediately returning attention to ensuring that this lapsed deadline is not effective, House Republicans have further delayed action by inserting partisan policies to pay for the ***program***. This has not only caused an unnecessary delay in passing a bill to reauthorize CHIP, but it has dragged CHIP onto the political game board, turning it and our children into pawns in their ruthless game of partisan chess. CHIP has historically been and should be above such games because CHIP is not just an insurance ***program***, it is a reassurance ***program***. It reassures States that they can provide comprehensive healthcare coverage to some of their most vulnerable, it reassures doctors that their patients will be able to access care and treatment, it reassures teachers that their students can be healthy enough to learn, and it reassures Mom and Dad that their children can still get well in the face of financial hardship. Continued inaction on CHIP is dangerous and damaging. Every day we delay reauthorizing CHIP is another day parents across the United States live in fear that their children may soon lose their health insurance. They panic at the thought of leaving their child's asthma untreated, skipping a trip to the dentist, or delaying a doctor's visit because they can't afford to pay for the treatment or medication that may be prescribed. If we don't act soon, this fear may become a terrible reality for families. In Massachusetts, CHIP funding will expire early next year. This could impact coverage for 160,000 children in the Commonwealth, potentially delaying access to treatment and services that could have ramifications into adulthood. In Congress, we are celebrating the 20th birthday of a successful children's insurance ***program*** by effectively threatening to end it. That is what Congress is now doing to the State of Massachusetts. That is what they are saying to the State of Massachusetts; that they are going to effectively try to shut down a ***program*** that for 20 years has served the children in our State. That makes no sense. I urge my Republican colleagues to put their partisan games aside to provide certainty and stability to States, to providers, and to reassure families by reauthorizing CHIP. When President Trump says he wants to make the healthcare system in America better, when President Trump says he wants to make sure families are able to take care of their children, we have a ***program*** that does that already. It is successful, and families and the States love it. All we need is Republicans in the Senate to work together in order to make sure that ***program*** continues for the health of all children in our country. I yield the floor. Mrs. FEINSTEIN. Mr. President, the Senate is currently considering the nomination of Scott Palk to a lifetime appointment as a Federal district court judge on the Western District of Oklahoma. I voted against Mr. Palk's nomination in the Judiciary Committee, and I will oppose his nomination on the floor. While his nomination was pending for a lifetime appointment to be a Federal judge, Mr. Palk changed his membership with the National Rifle Association to take out a life membership in the organization. When I asked Mr. Palk about this change, he asserted he expects to maintain this ``lifetime member'' status, even if he is confirmed, and he refused to commit to recuse himself from any cases where the National Rifle Association has taken a legal position. What I find disconcerting about this is Federal judges must be impartial. Federal judges must not have any appearance of conflicts of interest. When individuals come before a court, they need to trust that their case will be heard fairly and on the merits. Every American must believe that they will get a fair, unbiased hearing no matter who their judge is. Federal judges must follow applicable laws and regulations that severely limit the kinds of organizations they can participate in. For example, the code of conduct for Federal Judges says, ``[A] judge should not participate in extrajudicial activities that detract from the dignity of the judge's office, interfere with the performance of the judge's official duties, reflect adversely on the judge's impartiality, lead to frequent disqualification, or violate the limitations set forth below.'' That is why members of the Senate Judiciary Committee often ask judicial nominees at their hearings what steps they will take to prepare for the bench. It is the committee's duty to determine whether a nominee is prepared to leave their former roles and personal beliefs at the door and instead serve in an impartial arbiter. In fact, when nominated for lifetime appointments, most nominees try to rid themselves of conflicts and limit their affiliations, especially with advocacy organizations. However, Mr. Palk not only chose to maintain his membership with the NRA, he chose to extend his membership for life. [[Page S6809]] The fact that we are considering this nominee, given this issue with his background, just 3 weeks after the Las Vegas shooting, should really give us all a reason to pause. Las Vegas is now the deadliest mass shooting committed by an individual in the United States. It has only been a year since the Pulse Nightclub massacre in Orlando, which was previously the deadliest mass shooting in our Nation's history. It has been only 5 years since 20 6-year-olds and 6 adults were murdered at Sandy Hook Elementary School in Newtown, CT. What happened after each of those shootings? After Sandy Hook, the NRA opposed any legislation that would have restricted high-capacity magazines or military-style assault rifles. After the Pulse Nightclub shooting, the NRA opposed any legislation to expand background checks on gun buyers or to prevent gun sales to people on terrorist watch lists. After the Las Vegas shooting, the NRA, despite initial statements to the contrary, has come out opposed to any legislation to ban ``bump- fire stocks,'' even though such devices allow guns to function as machineguns, which are already banned under the law. The NRA has never supported any commonsense gun legislation. The NRA's views on gun control issues could not be clearer, which is why it is so problematic that a judicial nominee chose to double-down on his NRA membership while his nomination was pending, rather than extricate himself from his prior commitments and then refuse to commit to recusing himself on cases where the NRA has made its views abundantly clear. This should trouble all of us. Our job in evaluating judicial nominees is to ensure our Federal courts are an independent part of our system of checks and balances. To do that, we need confidence that judicial nominees will safeguard their own impartiality. I think all of my colleagues feel that way. That is not what Mr. Palk has done. Instead of taking steps to separate himself from strong political views, he has proactively taken steps to increase his commitment to specific views of the law. I will vote against Mr. Palk's nomination and urge my colleagues to do the same. Mr. MARKEY. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. INHOFE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. AFRICOM, Foreign Policy, and Our Military Mr. INHOFE. Mr. President, I came back just a week ago from visiting our troops stationed all around the world, in all the commands-- AFRICOM, EUCOM, CENTCOM--and talked to them about the threats in all these regions. At a time when I hear colleagues across the aisle and political pundits ask the question, Why do we have troops in various places like Africa, it is important to remember the ***strategic*** importance of Africa. I remember 10 years ago we didn't have a command for Africa. It was part of three commands: Pacific Command, Central Command, and European Command. Now we have AFRICOM. It is its own command. It seemed a little unreasonable that we were treating Africa as somewhat of a stepchild when that is the breeding ground out there for a lot of the things happening in terms of terrorism. Despite our military's reach and influence, our Nation's shrinking defense budget has put AFRICOM at risk during a time when commanders are saying we face the most dangerous world we have ever faced, and we have. I have often said that I look wistfully back at the days of the Cold War, when we had two superpowers and they were predictable. We knew what they had. They knew what we had. You have people from all over the world who are putting together equipment that we never dreamed they would have. We have just gone through 8 years of another administration. I don't say this critically of him, but one thing about President Obama was that he was a committed, sincere liberal. Liberals generally don't pay a lot of attention to the military. Now we find ourselves in a situation where we are hurting. A lot of people assume that we don't have any problems militarily. Sometimes I remind people that up until about 1962, we spent more than half--52 percent in 1962--of all of our revenues on defending America. What is it today? It is 15 percent. When I tell people that, they are in shock that we are in the situation we are in. We have terrorist groups in Africa--such as ISIS, al-Shabaab, and Boko Haram-- and they are all growing in capability and have expanded their areas throughout Africa. This year we have seen horrific events occurring at the hands of these extremists. On October 14, a truck bombing killed 300 people in Somalia's capital. In Niger--it just happened--we had four of our U.S soldiers who were killed in action on October 4 by an ISIS group. We know that we have serious problems. I think it is a great disservice for people to say that we must have known that we had the threat that was out there in Niger, when in fact we didn't know it. They even compare it sometimes with Benghazi. I remember Benghazi. I was there at the time. I remember Chris Stevens. Chris Stevens was the Ambassador who went there. He was in my office right before he left, talking about the threats that were there, talking about the Taliban, his training there, and talking about organized terrorist activity. I have to remind people that the persons who are responsible for advising the Secretary of State, who at that time was Hillary Clinton, and the President, who was President Obama at that time, are the DNI-- that was James Clapper at that time--the Secretary of Defense and Chairman of the Joint Chiefs of Staff. When the Benghazi event happened, the annex was blown up. They all said at that time--they advised us, the President, and the Secretary of State--that they were forewarned by more than a month that on the anniversary of 9/11 things would blow up, and it was going to be an organized attack. Right now there is an investigation going on to determine whether or not there is any way that we could have anticipated that in Niger this would be happening, and so far, that hasn't come up. Despite the best of intentions, many of our partners in the region lack the capacity and the effectiveness to adequately defend themselves. People say: What do we have to gain there? This is exactly the same situation that we saw in Afghanistan prior to the war there. The terrorists have to have a safe harbor to train in, and that is what has happened. During my travel, I had the opportunity to meet Prime Minister Benjamin Netanyahu. I have to say this about him. I have never seen him so ecstatic. A lot of us were looking back at what they were trying to do during the Obama administration. It was disheartening to think that they put together this Iran deal, and our Secretary of State at that time, John Kerry, talked about how great it was and all of these concessions that were made when, in fact, that wasn't the case. Nonetheless, when our President came out and said that he was not going to recertify the Iran deal, that was kind of neat because people don't realize that it takes a recertification every 30 days by the President in order to keep the Iran deal together. He has not done that. Shortly after that, I happened to be talking to Prime Minister Netanyahu. It was an incredible relief to him that we were going to be looking at this. Still today, I think we all understand that Iran is the one that is financing terrorism all around the world. We discussed the shortcomings and looked forward to working with my colleagues in the future so that Iran does not become a nuclear nation, not now or ever. What is perhaps the most encouraging is the message that this approach sends to the rest of the world, specifically to North Korea. President Trump's approach shows me--and, more importantly, shows Kim Jong Un--that an America-first foreign policy means that we refuse to take a single-minded approach to global threats. I recall the changes taking place 8 years ago when our new President, President Obama, started his appeasing tour by going over and talking about [[Page S6810]] how America hadn't been doing the right thing. Now, all of a sudden, we have changed that around. That is what is taking place now. At that time we didn't have the threats that are out there today. We look at North Korea. North Korea is run by a questionable person, totally unpredictable, according to our own military leaders. He is rapidly getting the capability not just of an ICBM--he has already proven he has an ICBM--but with a range not just of Alaska and some of those areas but of the entire continental United States. On July 4 he launched his first successful ICBM. If that were fired on a standard trajectory, that missile could have reached Alaska. Some experts think it could have reached even further, into the continental United States. In light of that test, the Defense Intelligence Agency updated their assessment of the timeline by which North Korea would have the capability of hitting an American city. Instead of being 2 years out and 3 years out, it is now down to 1 year out. Some people say they have it right now. We have that threat that is out there. It is the greatest threat, in my opinion, that we are facing now or that we have ever faced. Following this, on September 3, North Korea tested what is believed to be a hydrogen bomb. That would be seven times the power of what was dropped on Hiroshima. Even if delivered by a relatively inaccurate ICBM, there would be horrible damage imposed on our continent. It is important to remember that all of this power is being wielded by an erratic despot, Kim Jong Un. North Korean officials have stated that they are not interested in diplomacy until they have an ICBM capable of reaching the east coast of the United States. What does that tell you? It tells you that they are on their way. This stresses the need for the United States to enhance and accelerate our ballistic missile defense systems and to continue to put pressure on North Korea through every other means we can, diplomatic and otherwise. My recent travels enforced again what I have been saying for some time; that is, that this is the most dangerous situation we have had, certainly in my lifetime. We have an opportunity to counter that threat right now. We are in the midst of our NDAA. One thing about the National Defense Authorization Act is that this act is going to pass. It has passed for 55 consecutive years so we know it is going to pass now. But we need to go ahead and get it done. It is important because the primary constitutional responsibility that we have is to provide for the common defense of our great Nation. We have serious readiness issues that are going to have to be addressed, and they are being addressed in this bill. I am the chairman of the Readiness Subcommittee, and we have fought hard to ensure that this year's NDAA takes care of these shortfalls we have had. Our forces are smaller now. We actually had a Readiness Subcommittee hearing, and we had the Vice Chiefs of all of the services there. They came in and said that right now we are in the same situation we were in when we had the hollow force following the Carter administration in the 1970s. In January of this year, the Vice Chief of Staff of the Army, General Daniel Allyn, said: What it comes down to is that we are going to be too late. Our soldiers arrived too late. Our soldiers required too much time to close the manning, the training, and the equipment we have, and the end result is extensive casualties to civilians and to our forces. We are talking about death. That is what is at stake right here. Just last week, I met with the Secretary of the Air Force, Heather Wilson, to discuss aviation readiness. Right now we are 1,500 pilots short, and 1,300 of those are fighter pilots. Only 50 percent of the Air Force's squadrons are actually trained and ready to conduct all of their assigned missions. One-third of our ground brigades don't work. They are not ready for combat. As to the aviation brigades, it is the same thing. Right now, as we know, the Marines use our fleet of F-18s. Sixty-two percent of them don't work. They don't have the parts for combat. We have this situation. That is going to have to be direct. This year's bill will increase the troop levels. We will do what is necessary to correct these problems. We need to get moving on that and make people aware that help is on the way. By the way, here is one of my concerns in this bill. A lot of people are interested in the BRAC process. We do prohibit base realignment closings to take place for another year. The reason for that is not that there may be excess capacity right now or excess resources out there, but when we are in a rebuilding mode, we would rather be able to use those resources that aren't being used now rather than build new ones. One thing is true about a BRAC; it always loses money the first 3 years. Right now we can't afford to lose any of the money that goes to defending America. Anyway, of the additional funding, there is going to be $8.5 billion for the missile defense that has been suffering, and we are going to be doing some good things. As we continue the conference process, which started today--we had our first conference meeting today--we need to focus on where we are. Again, I repeat, the threat is there. We understand that. We know what is happening in Africa. By the way, the number of troops we have over there--you have to quit using this number of about 6,000--is really 1,300 troops for the entire continent who are not committed or working in some of the Embassies. We need to get busy on that. Environmental Protection Agency Mr. President, I have another issue I wish to visit. A lot of people are critical of what is happening right now in the Environmental Protection Agency. I feel I have to talk about this because, first of all, I was chairman of the committee that had jurisdiction over the Environmental Protection Agency for about 8 years. I see the things that are happening now, improvements that are being made. One is by a guy named Scott Pruitt. Scott Pruitt happens to be from Oklahoma. He is doing things now, and I don't know of anyone who has ever been abused during a confirmation process like he was. Poor Scott sat there. As a general rule, after a committee gets through with that process, they have questions for the record. Normally, they are somewhere between 15 and 20 questions for the record. Do you know how many questions Scott Pruitt got? He got 675 questions for the record. Anyway, he sustained that. He is now doing great things. Over the last 8 years, I have had little, if any, chance to praise the work of the EPA, but I can do it now. After 8 years of being relentlessly targeted by the Obama administration to shut out our farmers, ranchers, manufacturers, and energy industries, we have an administration that will listen to them and work with them. This is what jobs are all about. There is a lot of talk about the visit that was made to our conference by President Trump yesterday. What he talked about most of the time was jobs. We are in the position to correct it. What have we done to do that? A lot of the overregulations have been eliminated. There is the caricature of businesses referred to as greedy, loony boogeymen. But in reality, businesses are run by people who want what is best for America, for their families, and for the stockholders. Now, like any sector of society, you are going to find a few bad actors, but we have laws and remedies in place to make sure we go after those individuals. The last administration treated those they regulated as the enemy, not as partners in ensuring that the environment was taken care of, which led to very harmful, unworkable regulations. All of that is changing right now with President Trump and his administration. The administration realizes that working with those they regulate will ***produce*** better outcomes than only listening to those who wish to drive the industry into the ground. Administrator Pruitt has been meeting with farmers, ranchers, energy ***producers***, and other industries to listen to and learn about how regulations affect them and how a worthwhile regulation might be implemented in a way that is ***producing*** an unintended harm. I really cannot see why this is a bad thing, as the goal of the EPA is not to put companies or farmers out of business; it is to put forward policies that protect the environment and do not have a heavy cost, but just meeting with those who have been shut out of [[Page S6811]] the process in the past has extremists on the left seeing red. I guess they are just upset that they have lost their monopoly and their ability to write rules for the EPA. Pruitt and the EPA are also moving forward to repeal the unlawful waters of the United States. This is one of the things, if you talk to the farmers throughout not just Oklahoma but throughout America, they will say, of all of the rules and regulations, this is the most harmful. This is No. 1. That is what they say. In fact, Tom Buchanan is the head of the Farm Bureau in the State of Oklahoma, and he says that is the problem. People are not aware. In my State of Oklahoma, when you get out into Western Oklahoma, it is dry out there. I mean, it is about as arid as any part of the United States. Yet we know, if they were to move that jurisdiction of water away from the States and to the Federal Government, as was proposed in a rule that was promulgated by the previous administration, that area in Western Oklahoma would be considered a wetland before it is over. Anyway, that is probably, singularly, the best of the rules that he changed. By the way, if anyone wants to see the rules--a lot of people say the President has not been doing anything. Most of these rules and regulations--there are up to 48 now--that have been costing jobs and putting people out of business have now been addressed by this administration, by the Trump administration, and very successfully. Right now, we are in the process of getting some of these things done. The waters rule is going to take a while to get done because that is going to take some hearings and so forth. Another of the rules the EPA is working on repealing is the Clean Power ***Plan***. Now, this is the thing that came from the Paris show. In fact, I have done this before. I have talked about the history of these things that have been put forth for 21 consecutive years now by the U.N , which is that they have these meetings. They get 196 countries together, and they try to see what they can do to get them to reduce CO2 emissions, when, in fact, they have not been able to do this. Besides that, 87 percent of the power that is developed to run our country is either from fossil fuels or it is nuclear. If you extract those, as they tried to do, how do you run the machine called America? The answer is, you can't. Anyway, as far as the Clean Power ***Plan***, that was put together by President Obama, and it was something you could talk about as long as you wanted to, but the fact is, it was not good for the country. The rule was so unpopular that 27 States, 37 rural electric co-ops, and 3 labor unions challenged it in court. The cost of the rule was estimated to be $292 billion, but I have seen estimates that are well in excess of $400 billion. The ***plan*** would raise electricity prices in 47 States; 40 of those States would see double-digit increases, and these increases would be shouldered by American families, many of whom already have to choose between making rent payments and paying their power bills or choosing between putting food on their tables or paying their power bills. The ***plan*** would also see the closure of 66 powerplants and eliminate over 125,000 jobs in the coal industry--an industry that has already been struggling in recent years. The goal of this rule was to effectively end the use of coal-fired powerplants, which is a cheap and bountiful energy. What benefit would we get out of this? It would be more expensive energy. By the way, the whole idea of the Paris thing was not just the Clean Power ***Plan*** put forth by our President; it was also what other countries were forced to do. For example, in signing on to this deal in Paris, which everyone was so upset about, China committed, for the next 10 years, to continue to increase, every 10 days, an additional coal-fired powerplant. Then they would try to reduce them after that. What kind of a deal is that? They look back at the United States and think they know what is going to happen to our manufacturing base. They would go to China if we had to do this thing. The most ridiculous thing about this is, the President's commitment under the Clean Power ***Plan*** was to reduce our CO2 emissions by somewhere between 26 and 28 percent by 2025. The problem with that is, it cannot be done. We even called in the EPA so they may tell us how this could be done, and they agreed it could not be done. Anyway, that is something that is behind us now. I commend Scott Pruitt for realizing the legal footing of this rule and seeing that the costs the American people will bear under this rule is not going to happen. Just last week, the EPA announced that it will end its controversial policy known as sue and settle. This is a good one. It is a policy that has cost the taxpayers an estimated $67 billion in new regulations that stemmed from this practice. How this works is that some extremist group will come in and sue the EPA for not doing something, and so they go into a settlement agreement with the EPA, and the EPA is in concert with them to come up with the very thing they were not able to get through legislatively. It is called sue and settle. You have heard the President talk about ending that practice. It is one that needs to be ended, and it is going to be. This practice circumvented the Administrative Procedure Act and usually ended up in settlements that were extremely beneficial to extremist groups and got them exactly what they wanted all the time. My State of Oklahoma was a victim of this practice. In 2011, the EPA used consent agreements that stemmed from court cases in other States, not in Oklahoma, as Oklahoma was not even part of it or aware of it. They do that to overrule the State's Regional Haze ***Plan*** to impose EPA's own costly ***plan*** on Oklahoma electricity ratepayers. Now, the ***plan*** the EPA has pushed on this State costs an estimated $282 million each year. That is just in our State of Oklahoma, and it is something we would have to pay for. The regional haze problem has nothing to do with health. It is all visibility. So this was ruining the theme of the Obama EPA. Never mind that regional haze is entirely a visibility issue and not a health issue, never mind that Congress specifically gave States the authority to regulate regional haze under the Clean Air Act in the amendments I strongly supported when they went through because it is a visibility issue and not a health issue. Yet because an environmentalist group did not like how Oklahoma was handling its own business, it sued the EPA in court outside of Oklahoma and did not include Oklahoma as a party in the case. The EPA capitulated and entered into an agreement with some of the extremists that conveniently required the EPA to impose its own expensive ***plan*** on my State of Oklahoma. So I am glad Administrator Pruitt has announced an end to this policy, and I urge my colleagues to take up S. 119. It is the Sunshine for Regulatory Decrees and Settlements Act, of which I am an original cosponsor, to ensure that this practice is ended across the government and cannot be implemented by future administrations. Finally, I would like to encourage the EPA to move ahead with a hinted-at, pending directive that would restrict scientists who receive EPA grants from serving on the Agency's scientific advisory committees. I have previously expressed concerns over the composition of the Agency's advisory committees for many reasons, including highlighting the fact that many science advisers under the Obama EPA, including a majority of those on the Clean Air Scientific Advisory Committee--that is called CASAC--have received considerable financial support from the EPA. They are calling into question their independence and the overall integrity of panels on which the advisers sit. The National Academy of Sciences and the EPA's own ``Peer Review Handbook'' state that grants can constitute a conflict or a lack of impartiality. We are not talking about small grants either; we are talking about millions of dollars in grants. During the last year of the Obama administration, CASAC had six of seven members receiving these. Keep in mind, six of the seven members received a total of $119 million in grants--in EPA research grants--and three of the members received in excess of $25 million each. These are the scientists who are making the decisions. There were 22 of the 26 members of the CASAC Subcommittee on Particulate Matter who [[Page S6812]] received more than $330 million in EPA grants. The scientists who receive vast sums of money from the very agencies they are advising certainly constitute a conflict of interest and, at a minimum, give an appearance of a lack of impartiality. As such, I welcome the news that Administrator Pruitt will be seeking to limit this worrisome practice. I have laid out only a few of the many great things the EPA is doing right now and what Administrator Pruitt is doing. I got to know him a long time ago. In fact, I flew him around the State in my airplane back when he ran for the first statewide office. He is a guy who is a tiger and who is doing the right thing. I am very proud of what they are doing. After this morning, the EPA is now advancing five EPA nominees for the EPA general counsel and for the Offices of Enforcement and Compliance Assurance, Air and Radiation, Water, and Chemical Safety and Pollution Prevention. Each of these nominees is needed for the issues I have talked about and for the many others that are on the Agency's plate. Scott Pruitt has been working on so much of the President's conservative agenda alone, and he needs help to run these policies. I call on my colleagues and the leadership to prioritize these nominations. You cannot get this stuff done unless you have help. We have never seen a time when we have gotten this far into an administration and have had this large of a number of people who have not been confirmed. Mr. President, I do want to mention one other thing because, for some reason, the Democrats have decided they are going to run out the whole 30 hours on the confirmation of a guy named Scott Palk. I have to say, Scott Palk has been doing a great job. In fact, on the vote that just took place on him, he received 79 votes in the U.S Senate. Yet, just to be obstructionists, they are still demanding 30 hours. Scott Palk is an experienced prosecutor with a decade of service. He was the assistant district attorney for Cleveland County in my State of Oklahoma and spent 9 years as an assistant U.S attorney in the criminal division of the Western District of Oklahoma. He has a reputation for honesty, integrity, and a commitment to fairly applying the law. Mr. Palk will serve Oklahoma with distinction as a principled jurist who will uphold the Constitution. He is going to be confirmed. We know he is going to be confirmed because he already received 79 votes. There is no reason to delay it, other than to hold people here and be obstructionists. I would urge my friends on the other side of the aisle to go ahead and confirm the guy. He is going to do a great job. I suggest the absence of a quorum. The PRESIDING OFFICER (Mr. Tillis). The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. DURBIN. Mr. President, I have remarks that I wish to make, but I will yield at this time in order for the Republican leader to be recognized after which I will seek recognition. The PRESIDING OFFICER. The majority leader. Mr. McCONNELL. Mr. President, I thank my friend from Illinois.

**Load-Date:** October 27, 2017

**End of Document**



[***Infrastructure Services Committee round-up***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R6N-BG51-F0YC-N04S-00000-00&context=1516831)

Impact News Service

December 16, 2017 Saturday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 1754 words

**Body**

London: Aberdeenshire Council, UK Government has issued the following news release:

The latest meeting of Aberdeenshire Council’s Infrastructure Services Committee (ISC) began with the determination of ***planning*** applications which had been referred to it by Local Area Committees.

After representations from the ***planning*** service and an agent on behalf of the applicant, the committee voted 7-6 on a motion by ISC vice chair John Cox (Banff and District) to approve ***Planning*** Permission in Principle for 15 houses and associated infrastructure at Ladysbridge Village Site, Boyndie, Banff. Planners had recommended the application be refused; the Local Area Committee favoured approval.

The committee also agreed full ***planning*** permission for two buildings to incorporate a Combined Heat and Power Plant (CHP) for power generation and drying ***agricultural*** ***produce*** (Part Retrospective) at Land at Cairnandrew, Longmanhill, Banff. Again, planners had recommended the application be refused; the Local Area Committee favoured approval.

An application for full ***planning*** permission relating to the development of a steading and surrounds to create eight houses at Kingseat Farm, Kingseat, Newmachar was also approved. Planners had recommended approval in this instance, as had the Local Area Committee. You can see all the reports the committee considered at its meeting on our website.

**Aberdeenshire Council Responses to National Consultations**

Councillors approved responses to consultations on Local Bus Services in Scotland; Free Bus Travel for Older and Disabled People; and on the Future of Smart Ticketing in Scotland. You can see the details of the consultations and the council's responses to each in the reports to committee.

***Plans* to get communities behind prevention of litter and fly-tipping across Aberdeenshire**

The committee agreed a strategy to pit the whole Aberdeenshire community against the problem of litter and fly-tipping.

Councillors agreed the production of an overarching Community Litter Prevention Action ***Plan*** for all of Aberdeenshire.

The intention is the council’s recycling and waste service would work with local organisations and community groups to help them ***produce*** their own ***plans*** to keep local areas clean.

These would then feed into the overarching strategy for the area, as would the council’s own Litter Prevention Action ***Plan***, which councillors also approved.

National guidelines support prevention as a key strategy in tackling litter and fly tipping. The Scottish Government’s national litter strategy also encourages personal responsibility and behaviour change.

It promotes a new approach to litter, focusing on prevention instead of clean up, and encourages action based on specific types of ***interventions*** and collaborative efforts to drive change.

The strategy also identifies the benefit of Litter Prevention Action ***Plans*** in enabling organisations and communities to take collective action to tackle the problem.

Work by the council is already underway to identify and contact all relevant local organisations, including the public sector, voluntary and community groups, educational establishments and businesses of all sizes.

ISC chair, Peter Argyle, said: “It’s ludicrous we have to spend so much money picking up after people who simply can’t be bothered – it’s incomprehensible to me.”

You can see more detail in the committee report.

**Regional Economic Partnerships Update**

The committee received an update on the progress of Regional Economic Partnerships, including an update on the activities of Opportunity North East (ONE).

You can see the report on our website.

**Regional Skills Strategy**

The committee endorsed a new Regional Skills Strategy, which aims to ensure all relevant partners and agencies are working together to deliver on the skills agenda to ensure businesses have the people they need, and people have the skills to gain employment opportunities in the Aberdeen and Aberdeenshire areas.

Councillors heard the strategy is the culmination of work undertaken by Skills Development Scotland (SDS) in partnership with a wide range of regional and national organisations.

It aims to reflect the skills challenges and future opportunities in the region. It is a shared approach to skills investment, ensuring that there is a structured, coordinated, consistent and ***strategic*** approach to the design, development and implementation of the investment required to address skills needs and priorities.

The strategy forms a part of the delivery of the Regional Economic Strategy (2015) and the Aberdeen City Region Deal (2016). It seeks to address the skills implications of the significant changes to the North East economy taking place as a result of the downturn in the oil and gas industry, which has been the major contributor to the economic success of the region over the last 40 years.

The Regional Skills Strategy identifies the roles, responsibilities and commitment of the partners to deliver the approach set out in this document.

You can see the strategy in the report to committee on our website.

The report will also to be presented to the council’s Education and Children’s Services Committee for its endorsement.

**Regional Inward Investment**

The committee approved the Council’s involvement in the Aberdeen City Region Inward Investment Hub.

It heard about the development of the hub, Aberdeenshire Council’s involvement and the inclusion of the 25-year Energetica development corridor project, which has now been running for 10 years, in the overall approach.

The committee heard work has been undertaken over the last 18 months to scope out a new inward investment approach to cover Aberdeen and Aberdeenshire.

The approach has been informed via a commission by Aberdeen City Council with consultants Breeze Inward Investment. They found that at present the City region is the largest location in the UK without an inward investment team, but is the most dependent on inward investment in the UK outside London.

In 2014 and 2015, Aberdeen City region’s share of Scotland’s inward investment projects, as measured by EY’s European Investment Monitor, had halved from 15% to 7.5%, while Edinburgh’s share doubled and Glasgow also doubled its number of projects.

The committee heard this is the reason for the formation of an inward investment hub for the area, whose work will be delivered by an Aberdeen City Region Inward Investment Team, consisting of dedicated officers working for both Aberdeenshire and Aberdeen City Councils.

They will work closely with colleagues in Scottish Enterprise, Scottish Development International and the Department of International Trade along with key partners across the North East.

The approach includes Energetica as a core product, and builds on wider regional strengths and key industries. It reflects the investment of the City Region Deal into the industries of energy, life sciences, food and agri-technology, and tourism.

The success of the project will be monitored and reported on annually to the committee.

**Trading Standards Service – Annual Review 2016-17**

The committee reviewed a report outlining the performance of the Council’s Trading Standards Service over the last year.

Councillors heard the key aim of the service is to protect consumers and promote safe and fair trading.

This is achieved through inspections of trade premises to ensure they are trading in compliance with statutory requirements and by the investigation of complaints.

This protects not only the consumer but also the legitimate local business by providing a level playing field, the committee heard.

Inspection work aims to identify problems at an early stage and is an opportunity for businesses to obtain on the spot advice on often complex legislation.

The committee agreed to the continued preparation and reporting of an Annual Review of Trading Standards.

You can see the annual review and the report to the committee on our website.

**The Tobacco and Primary Medical Services (Scotland) Act 2010 - Enforcement Action *Programme***

ISC agreed the Trading Standards Service should undertake a ***programme*** of enforcement by way of advice and information to tobacco and nicotine vaping retailers over the next year.

This will include the maintenance of the register of tobacco and nicotine vaping products and the prevention of sales to those under 18 years of age.

Councillors also agreed a ***programme*** of inspection and surveillance, when necessary, of premises from which tobacco and nicotine vaping products are sold (including through social media sites) and a thorough investigation of complaints received.

Test-purchasing exercises using 16-year-old volunteers were also approved.

The committee also gave its support to a ***programme*** raising awareness of the law around tobacco sales and to educate the public about the problem of proxy purchases on behalf of those under 18, to take place in suitable locations at and around schools.

**Aberdeenshire Council Ranger Service Strategy Review 2013-16 and Ranger Service Strategy 2017-20**

The council’s Ranger Service presented a summary of its work to raise awareness of the natural and cultural heritage of the region and to protect and enhance its biodiversity between 2013-16.

A proposed strategy for future work by the service was also presented for councillors’ approval.

The service promotes the enjoyment, understanding and care of Aberdeenshire’s natural and cultural heritage and contributes to the management, enhancement and monitoring of its environmental assets. This is in alignment with other Ranger Services and follows National Ranger Service Aims identified by Scottish Natural Heritage.

It delivers first hand provision of information, advice, activities and interpretation on Aberdeenshire’s natural and cultural environment for people of all ages and social groups.

The Service contributes to the management, enhancement and monitoring of environmental assets to promote and encourage engagement with Aberdeenshire’s outdoors in a responsible and sustainable way.

It also contributes to a range of Council, partner and community initiatives which support wider corporate and Scottish Government objectives.

The committee noted the report and agreed the aims and key priorities of the Ranger Service moving forward.

It also agreed the service should continue its role in the promotion and protection of the area’s natural and cultural heritage as shown in the draft Ranger Service Strategy 2017-20 and associated Team Action ***Plan***.

The Ranger Service Strategy Review and the new strategy can be seen as part of the report to the committee.

**Load-Date:** December 18, 2017

**End of Document**



[***Washington: Fortune 500***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S2H-CX81-JDG9-Y4SH-00000-00&context=1516831)

Impact News Service

April 7, 2018 Saturday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 28917 words

**Body**

Washington: Office of the Majority Whip  Steve Scalise has issued the following news release:

Results of the Tax Cuts and Jobs Act are on a hot streak as 500+ companies have now announced bonuses, pay raises and increased benefits for their hardworking team members. While Democrats predicted “Armageddon,” Republicans bet on the American worker and the Tax Cuts and Jobs Act has paid out.

With tax reform, businesses have been able to invest more than $4 billion in their current team members and new hires. Small businesses are feeling record levels of optimism and unemployment rates are at an all-time low. Democrats try to claim this was a giveaway to the wealthy, but with nine out of 10 Americans seeing higher paychecks, it’s clear Americans hit the jackpot with tax reform.

To see the growing number of companies increasing wages, investments, jobs, and bonuses because of the Tax Cuts and Jobs Act, click here.

Read on to see what companies are using the Tax Cuts and Jobs Act to reward their employees and boost the economy.

1A AUTO – WESTFORD, MASS.:Massachusetts based online auto parts retailer 1A Auto announced across the board cash bonuses for all full-time employees. CEO Rick Green says that the decision was based on recent changes to tax policy.

In a company meeting Wednesday, Green told employees, “Ultimately the tax savings will be passed to our customers in the form of lower prices, but we want to also share some of the savings with you, our hard-working employees.” 1ST SOURCE – SOUTH BEND, IND.:

    The issuance of 10 shares of 1st Source stock currently valued at $500.00 in early 2019 (which must be held for three years) to all employees who were active with the company December 31, 2017 and are also active with the company on December 31, 2018.     An additional performance award base pay increase of $500.00 to eligible colleagues.     A significant increase in the company’s higher education tuition reimbursement ***program*** to an annual benefit of $6,000 from $3,000.

AALADIN INDUSTRIES – ELK POINT, S.D :

Bonuses of $250 – $1,000 based on length of service; base wage raised; increased capital expenditures. AAON – TULSA, OKLA.:

Personnel employed by AAON, excluding officers, will receive a $1,000 bonus in recognition of the new tax reform law. AAON employs approximately 2,000 individuals at its Tulsa, Oklahoma and Longview, Texas facilities. ABBVIE – NORTH CHICAGO, ILL.:

    permanent salary increases for all non-executive employees; increased profit sharing for employees; one additional holiday for U.S employees.

ACADIA HEALTHCARE – FRANKLIN, TENN.:

Acadia Healthcare is pleased to announce it will be adding new jobs, opening additional treatment centers, and expanding existing facilities due to the extraordinary tax reform bill. ACCUWEATHER – STATE COLLEGE, PA.:

AccuWeather, the world’s fastest-growing provider of forecasts and warnings and a global leader in digital media and weather-related big data, announced it is pleased to be providing special year-end bonuses to all employees. AccuWeather said the bonuses are possible due to the company’s robust financial performance in 2017 and strong confidence in the growing U.S and global economy now that the Tax Bill has passed. ADAMS COMMUNITY BANK – ADAMS, MASS.:

    Paying a special one-time bonus of $1,000 to full time employees, and $500 to part time employees. This initiative is focused on those employees making below a certain compensation threshold.     Increasing base pay by $1 per hour for regular non-officer employees making below a certain compensation threshold.     Raising our minimum wage to $13.25     Reducing the employee’s share of medical and dental insurance premiums from 30% to 20%, for all bank employees who are not officers.     Increasing interest rates on customer deposit products beginning in January.

ADVANCE FINANCIAL – NASHVILLE, TENN.:

Advance Financial Chief Experience Officer Tina Hodges announced to employees Friday morning a tax initiative that will yield an additional collective $500,000 to employees and more than $550,000 to community organizations.

1.) Increasing its 401(k) match from 3 percent to 5 percent for all employees.

2.) Increasing the share of profits that front line employees can receive from 3 percent to 5 percent. (Front-line employees, who man Advance Financial’s 85 locations across Tennessee, account for 85 percent of the company’s 800-plus employees.)

3.) Increasing giving to the Advance Financial Foundation by 8 percent. (The foundation provides donations to nonprofit organizations in communities served by Advance Financial.)

The company’s average starting wage is more than $15 an hour. ADVANCED SCIENCES & TECHNOLOGIES – BERLIN, N.J :

Increased 401(k) match for employees. AFLAC – COLUMBUS, GA.:

Aflac announced that it is increasing investments by $250 million in the U.S , which will result in the producktion of jobs and employee benefits, and marks a significant commitment from mid-sized market cap company. Additionally, Aflac will increase their company’s 401(k) match, from 50% to 100% on the first 4% of employee contribution and make a one-time contribution of $500, helping families to build up their nest egg. ALASKA AIR – SEATTLE, WASH.:

Alaska Airlines is giving its employees a $1,000 bonus, citing the tax cut passed last month by Congress and signed by President Donald Trump. ALASKA ELECTRIC LIGHT AND POWER – JUNEAU, ALASKA:

Alaska Electric Light and Power will pass tax reform savings to customers. ALBANESE CONFECTIONERY – MERRILLVILLE, IND.:

Albanese Confectionery will give employees $2,000 bonuses annually and is expanding parental leave benefits. ALLIANT ENERGY – CEDAR RAPIDS, IOWA:

Interstate Power & Light, an Alliant Energy subsidiary based in Cedar Rapids, said it would return between $18.6 million and $19.6 million to customers.

Alliant’s gas customers could have between $500,000 and $3.7 million returned to them. ALLY FINANCIAL INC. – CHARLOTTE, N.C :

Ally Financial Inc. is using the savings to pay a $1,000 bonus to its employees, and to increase its charitable contributions by around $6 million. ALMO CORPORATION – PHILADELPHIA, PENN.:

Almo Corporation is giving employees a $1,000 incremental bonus and investing in the company through capital improvement and purchasing a new operating system. ALTRIA – RICHMOND, VA.:

Altria Group Inc., one of the Richmond area’s largest private employers, says it is giving all of its non-executive employees a one-time $3,000 bonus, thanks to the corporate tax cut passed by Congress in December.

The Henrico County-based parent company of cigarette maker Philip Morris USA said it also ***plans*** to set aside $35 million over three years for philanthropic ***programs*** in the communities where it has operations, focusing particularly on nonprofit ***programs*** in youth development and workforce preparedness. The money is in addition to the roughly $55 million a year that Altria typically donates to philanthropy, a company spokeswoman said.

The bonus to employees is expected to be paid out this month and will amount to a total of $24 million for the company’s approximately 7,900 non-executive employees. ALLSUP’S CONVENIENCE STORES, INC. – CLOVIS, N.M :

Allsup’s Convenience Stores, Inc. is awarding employees a $1,000 bonus. AMARILLO NATIONAL BANK – AMARILLO, TEXAS:

Christmas came early for more than 300 employees at Amarillo National Bank when they found out they’d be getting a $1,000 pay raise.

The bosses at ANB are saying the pay increase is because of the GOP’s tax reform bill.

The raises are the highest salary and wage increases in the bank’s history.

313 of the bank’s 600 full-time, non-salaried employees will get an immediate raise of $1,000. AMBOY BANK – OLD BRIDGE, N.J :

A Central Jersey bank with 24 branches is boosting the minimum pay for its workers to $15 an hour.

Old Bridge-based Amboy Bank will also pay all non-executive employees a a minimum year-end bonus of $1,000, it said in a statement, becoming at least fourth New Jersey bank to give its workers extra money. AMEREN ILLINOIS – CHICAGO, ILL.:

Customers expected to save as a result of the decrease in the federal corporate tax rateAmeren Illinois electric customers could save an average of $2.50 to $3.00 per month in 2018 and natural gas customers could save an average of $1 per month if the Illinois Commerce Commission (ICC) approves the company’s ***plan*** to pass savings from the recently approved federal tax cut legislation back to its customers.  Customers using both electricity and natural gas could see a combined savings. AMERICACOLLECT – MANITOWOC, WIS.:

A Manitowoc-based company will give its roughly 250 employees a bonus following Congress’s passage of the tax reform bill the Tax Cuts and Jobs Act. AMERICAN AIRLINES – FORT WORTH, TEXAS:

No. 1 U.S airline American Airlines Group Inc said it would give its employees a $1,000 bonus in light of the recent tax reform bill. AMERICAN BANK – ALLENTOWN, PA.:

American Bank became the first Lehigh Valley business to publicly announce it is paying $1,000 bonuses to its 60 workers in connection with the tax bill signed Friday by President Donald Trump. AMERICAN COMMUNITY BANK – WOODSTOCK, WIS.:

$500 to each employee and announced additional hiring ***plans***. AMERICAN EXPRESS – NEW YORK, N.Y :

Overall, we believe the Tax Act will be a positive development for both the U.S economy and American Express. Given the momentum in the business and the anticipated benefit of a lower tax rate, we now expect to invest up to $200 million more in 2018 than we originally ***planned*** for customer-facing growth initiatives. We’ve also made an incremental contribution to our employee profit-sharing ***plans*** to support the long-term financial well-being of our employees. And, for shareholders, we expect to use the remaining anticipated benefits to build capital and support earnings growth in 2018. AMERICAN FAMILY INSURANCE – MADISON, WIS.:

American Family Insurance said it will give 11,000 workers a one-time bonus of $1,000, becoming the latest U.S company to pass some of the savings from federal tax reform to employees.

The Madison-based insurer said the reduction in the corporate income tax rate also would help fuel permanent changes to its employee benefits ***program***, such as expanded tuition reimbursement, help paying student loans and scholarships for workers who pursue a post-high school degree. AMERICAN PROTEINS – CUTHBERT, GA.:

American Proteins and subsidiaries are awarding employees bonuses of$1,000, in response to the tax reform package signed into law earlier this year. AMERICAN SAVINGS BANK – HONOLULU, HAWAII:

The third-largest bank in Hawaii said it will award $1,000 bonuses to nearly all of its employees. In addition, the bank said it was increasing its starting wage to $15.25 an hour from $12.21 an hour. AMGEN – THOUSAND OAKS, CALIF.:

Amen is using the savings to construct a new $300 million U.S manufacturing plant which will employ up to 300 at the facility; invest $300 million in biotechnology ventures; invest $3.5 billion in capital expenditures; invest $100 million in Amgen Scholars and Amgen Biotech Experience ***programs***; and donate $100 million to charity. AMICUS THERAPEUTICS – CRANBURY, N.J :

In order to find a cure for a rare disease, the Amicus Therapeutics is building a $200 million facility in the United States instead of overseas. The facility will employ at least 200 people who will earn an average of over $100,000 per year. ANDYMARK – KOKOMO, IND:

Andy Baker, president and owner of AndyMark, which manufactures and distributes mechanical and electrical parts for the competitive robotics market, said savings from the tax cut has accelerated his ***plans*** to hire more workers.

He said the company currently employs 25 full-time workers and up to 30 part-time and seasonal workers. Now, Baker anticipates doubling his workforce in the next five to 10 years.

“I think the tax bill is going to accelerate our growth,” he said. “We want more diversity with our business and more vertical integration, which requires more staff, and the tax cut its going to accelerate all that.” ANFINSON FARM STORE – CUSHING, IOWA:

Anfinson Farm Store, a family business in Cushing, Iowa, has awarded $1,000 bonuses and raised wages 5% for all full-time employees as a result of tax reform. The good news was delivered to employees in person just after Christmas. ANTHEM – INDIANAPOLIS, IND.:

Anthem, Inc. announced that the company will contribute $1,000 to the 401(k) accounts for each of its more than 58,000 associates and recent retirees. Anthem has created this new investment ***program*** for associates following revisions to the U.S tax code that were enacted earlier this year. In total, Anthem will contribute more than $58 million to the ***program*** which helps Anthem associates ***plan*** for their retirement and the needs of their families in the future. In addition to the Anthem 401(k) ***program***, the company is investing savings from the changes in the tax code in other efforts to reduce the cost of healthcare and benefit the consumers we serve and our shareholders. APPLE – CUPERTINO, CALIF.:

Apple Inc. told employees Wednesday that it’s issuing a bonus of $2,500 worth of restricted stock units, following the introduction of the new U.S tax law, according to people familiar with the matter.

The move comes on the same day Apple said it would bring back most of its cash from overseas and spend $30 billion in the U.S over the next five years, funding an additional technical support campus, data centers and 20,000 new employees. APPS PORTAMEDIC – BELLEVUE, WASH.:

At the Bellevue small business called APPS Portamedic, two employees schedule the health tests people get when they apply for life insurance.

Owner Ben Oakley says he’ll benefit from the new tax rules for many small businesses.

“Anything from the 20 percent reduction down to 17.5 percent, we have a lot of equipment in our business so we’re going to see a tax break there. I was looking at the numbers just based on our simple tax bracket as my wife and I you know it’s about a $2,500 benefit just for income tax alone,” Oakley said in an interview. AQUESTA FINANCIAL HOLDINGS – CORNELIUS, N.C :

Aquesta Financial Holdings in Cornelius, N.C , will raise hourly pay to $15 and will be giving $1,000 bonuses to all of it workers. AR-15 GUN OWNERS OF AMERICA – WARNER ROBINS, GA.:

    Tax reform bonuses     Increased salaries for all employees.

ARIZONA PUBLIC SERVICE – PHOENIX, ARIZ.:

APS has requested the Arizona Corporation Commission approve a $119 million bill reduction for customers, based on federal corporate tax cuts, effective February 1, 2018. ASSOCIATED BANK – GREEN BAY, WIS.:

Associated Bank said it will boost its minimum hourly wage to $15 and pay workers a $500 bonus when the recently passed federal tax reform is signed, making it the first major Wisconsin firm to announce it is joining the list of companies saying their employees will directly benefit from the legislation.

The Green Bay-based bank, the largest financial institution headquartered in the state, said it will raise its minimum wage to $15 an hour from $10 — a 50% boost — and distribute the one-time bonus to all hourly, non-commissioned employees once the tax legislation is signed into law. ASSURANT – NEW YORK, N.Y :

U.S tax reform a positive for Assurant. Based on preliminary review, Assurant expects:

    Effective tax rate to be reduced to approximately 22%-23% on Assurant current standalone income worldwide     No transition tax on accumulated foreign earnings     Future dividends from Assurant’s non-U.S subsidiaries not subject to U.S tax     Q417 will include a one-time benefit to consolidated GAAP net income due to the reduction of net deferred tax liabilities, but write-down on a statutory basis for the insurance subsidiaries due to the reduction of net deferred tax assets

AT&T – DALLAS, TEXAS:

Once tax reform is signed into law, AT&T ***plans*** to invest an additional $1 billion in the United States in 2018 and pay a special $1,000 bonus to more than 200,000 AT&T U.S employees — all union-represented, non-management and front-line managers. If the President signs the bill before Christmas, employees will receive the bonus over the holidays. ATLAS AIR – PURCHASE, N.Y :

Atlas Air will be providing a special one-time bonus payment to all full-time flight and ground staff employees below the officer level. We are pleased to offer this bonus to our flight crew employees as the Union is in agreement. This bonus will be funded by a tax refund that the Company expects as a result of the newly enacted U.S tax law.

The $1,000 bonus will be provided in early January. AUTONATION – FT. LAUDERDALE, FLA.:

AutoNation announced that it will double its matching contributions to employees’ 401(k) ***plans***, increase its deferred compensation match to up to 100% for the first $5,500 and launch a cancer benefits ***program*** for employees diagnosed with the disease. AVANGRID– ORANGE, CONN:

AVANGRID’s regulated natural gas and electricity companies will pass along to customers the full benefit of any tax savings that the companies realize as a result of the 2017 federal tax reform act.

Among other changes, the tax reform act reduces the federal corporate tax rate from 35 to 21 percent. As a matter of fairness, AVANGRID believes that any resulting tax savings should be extended to customers. AVISTA – SPOKANE, WASH.:

Avista customers could collectively see a $50 million to $60 million annual benefit from federal tax reform, utility officials said Wednesday.

The savings on individual customers’ bills, however, won’t be known until later this year. BAIRD– MILWAUKEE, WIS.:

Milwaukee-based financial services firm Robert W. Baird & Co. Inc. ***plans*** to give more than $5 million to its employees as a result of its savings from the recently enacted federal tax reform.

All of Baird’s more than 3,500 employees worldwide will receive a one-time benefit, which it announced to them last week. BALL VENTURES – IDAHO FALLS, IDA.:

Ball Ventures, a commercial real estate investment and development company, is giving each employee $100 for every year of their employment. BALTIMORE GAS & ELECTRIC – BALTIMORE:

BGE will file with the Maryland Public Service Commission (PSC) to pass approximately $82 million in annual tax savings to customers, resulting from federal tax cost reductions. The Tax Cuts and Jobs Act, which decreased the corporate tax rate from 35 percent to 21 percent, was signed into law on Dec. 22, 2017 and became effective on Jan. 1, 2018. If approved by the PSC, the average BGE residential electric customer can expect to see an estimated $2.31 decrease on their monthly bill, and the average residential combined natural gas and electric customer can expect an estimated $4.27 monthly reduction, effective in February 2018. BANCORP SOUTH – TUPELO, MISS.:

BancorpSouth said it was giving pay increases and one-time businesses totaling more than $10 million as “an additional investment … to nearly all non-commissioned employees.”

The investment this year will benefit 96 percent of the company’s non-commissioned workforce, BancorpSouth said. The pay increases were effective Jan. 1. BANK OF ADVANCE – ADVANCE, MO.:

    $1,000 bonuses to all staff.

BANK OF AMERICA – CHARLOTTE, N.C :

“Beginning in 2018, we will see benefits from the tax reform, too, in the form of lower corporate tax rates. In the spirit of shared success, we intend to pass some of those benefits along immediately. U.S employees making up to $150,000 per year in total compensation – about 145,000 teammates – will receive a one-time bonus of $1,000 by year-end.” BANK OF COLORADO – FORT COLLINS, COLO.:

Bank of Colorado is paying a special bonus of $1,000 to each full-time associate to share the benefit of the tax cut passed earlier this month by Congress.

President of Bank of Colorado, Shawn Osthoff said, “We feel strongly that the message should be loud and clear that this is a tax cut that will benefit all Americans.” Bank of Colorado has 641 associates in Colorado and New Mexico. BANK OF HAWAII – HONOLULU, HAWAII:

The state’s second-largest bank, said it will give out $1,000 cash bonuses to 2,074 employees, or 95 percent of its workforce. The bonuses affect all employees below the senior vice president level. The bank also will increase its minimum wage to $15 an hour from $12 an hour. BANK OF THE JAMES – LYNCHBURG, VA.:

Bank of the James, Lynchburg, Va., raised its minimum wage to $15 per hour for employees with more than one year of service, added vacation days and substantially increased its charitable giving ***plans*** for 2018. BANK MIDWEST – SPIRIT LAKE, IOWA:

    $500 bonuses for full-time employees and $250 bonuses for part-timers.

BANK OF NEW YORK MELLON – NEW YORK, N.Y :

Bank of New York Mellon Corp. (BK) executives said nearly all of this year’s benefits from the new U.S tax law will go to technology upgrades and its employees instead of shareholders.

That includes a raise in the minimum wage to $15 an hour starting March 1 largely for those who work in the firm’s operations unit. The higher hourly wage will affect about 1,000 of the bank’s 52,500 employees, according to finance chief Mike Santomassimo. BANK OF THE OZARKS – LITTLE ROCK, ARK.:

Bank of the Ozarks has announced an annual cash-based incentive bonus ***plan*** for hourly employees and certain other employees.

Under the terms of the ***plan***, employees of the Little Rock-based bank will be eligible to receive a cash award of up to $1,200 annually based on company and individual employee performance. Approximately 2,300 of the company’s current employees will be eligible to receive awards under the ***plan***. BANK OF THE WEST – SAN FRANCISCO, CALIF.:

Bank of the West increased base wages to $15 per hour. BB&T – WINSTON-SALEM, N.C :

Nearly three-fourths of BB&T Corp.’s employees will get a one-time $1,200 bonus in January as part of the bank’s response to the corporate tax rate cut signed into law by President Donald Trump.

About 27,000 BB&T employees will receive the bonus. Most of them are not eligible for incentives or commissions, BB&T said. The bank had 37,189 employees as of Sept. 30, according to a regulatory filing.

The bank also will raise its minimum hourly wage to $15 from $12 on Jan. 1, as well as provide $100 million to the bank’s philanthropic fund. BECKETT FINANCIAL GROUP – WEST COLUMBIA, S.C :

The most important asset of Beckett Financial Group is our people. As a result of the Tax Cuts and Jobs Act and resulting economic growth, our company will be providing bonuses of at least $1,000 for all full-time employees. In addition, hourly employees will see a wage increase of at least 5% this year.

We recognize that our team members are the best ones to determine how to spend their dollars. This provides an opportunity for each individual to either spend money locally, save it for their retirement, decrease debt, or donate dollars to charity. In addition, we will be increasing our employee matching funds campaign by matching each of their contributions to charities dollar-for-dollar up to $1,000 per employee.

Beckett Financial Group provides retirement and insurance solutions to businesses and families throughout South Carolina and specializes in income ***planning*** for current and future retirees. We live in a world of opportunity and want to help others as a result of the Tax Cuts and Jobs Act. – Jason (JB) Beckett, Managing Partner, Beckett Financial Group BENCHMARK AUTO SALES – ASHEVILLE, N.C :

A weight many Americans shoulder everyday is now gone for the people who work in gravel lot filled with cars along Brevard Road near the Blue Ridge Parkway.

We’re talking health care.

“We had 80 percent of our staff was not insured. We have 100 percent insured now. That’s a big feat,” Benchmark Auto Sales owner Joe Segrave said.

It was Segrave’s decision, but he said it would not have happened without the tax bill that finally passed on Capitol Hill.

“I think all of us share a certain level of disgust with what’s going on with politics in our nation, and, really, I like to keep this as an apolitical decision,” Segrave said. “The bottom line is I had a chance to pay it forward to my employees.”

Paying it forward to the tune of about $4,100 a year per employee. That’s about $120,000 total. From the front office to the repair shop, employees are feeling it. BENEFICIAL BANK – PITTSFIELD, MASS.:

    base wage raised to $14 per hour; $1,000 bonuses for all AVP Level employees and below; 4.5% employer contribution to 401(k) ***plans***:

BERKSHIRE HILLS BANK – BOSTON:

    Raising Berkshire’s minimum wage to $15 per hour.     Providing a special, one-time bonus of $1000 to over 1000 employees. This grant benefits all full–time employees below a certain compensation threshold, covering over 70% of the Bank’s workforce, and augments the special $500 holiday bonus these colleagues received in the fourth quarter.     Enhancing Berkshire’s investment in employee development and training ***programs*** to benefit our employees and bolster our current offering at AMEBU – American’s Most Exciting Bank University.     Contributing $2 million to the Berkshire Bank Charitable Foundation which supports charitable organizations, scholarships, and volunteerism across Berkshire’s local communities. This will bolster the foundation’s endowment and allow for increased local giving. Last year we provided over $2 million to our local communities, complementing our employee volunteer ***program*** which helps our employees contribute over 40,000 hours of volunteer service each year.

BEST BUY – RICHFIELD, MINN.:

Full-time workers will receive a one-time bonus of $1,000 and part-timers, $500.

All permanent employees who are not on an existing bonus ***plan*** will receive the additional funds. The bonuses will show up in workers’ paychecks this month.

In all, more than 100,000 of Best Buy’s 125,000 employees in the U.S , Mexico and Canada are expected to receive the extra cash. BIO-TECHNE – MINNEAPOLIS, MINN.:

The biotech and diagnostics firm paid $500 bonuses for all 1,650+ employees. BLACK HILLS ENERGY – RAPID CITY, S.D :

“Black Hills Energy is currently reviewing the recently approved Tax Cuts and Jobs Act of 2017,” spokeswoman Brandy Johnson said in an email. “We will work with utility regulators to develop a ***plan*** to provide customers the benefit of the corporate tax rate reduction.” BLACKBAUD – CHARLESTON, S.C :

Most Blackbaud employees will receive about $2,000 worth of stock this month, a gift the Daniel Island-based company says it’s offering because of federal tax cuts approved last year. BLUE CROSS BLUE SHIELD OF NORTH CAROLINA – DURHAM, N.C :

North Carolina’s largest health insurer said Thursday its windfall from the new federal tax cut will hold down rate increases in the future, but this year it will use it to give charities $40 million and pay employees a $1,000 bonus. BLUE HARBOR RESORT – CHICAGO, ILL.:

Blue Harbor’s ownership joins the vast list of companies who have announced financial support of their employees. The Forsythe Family today dedicated a one-time cash bonus of $1,000 to each eligible Blue Harbor employee.

The Forsythe Family’s financial dedication to Blue Harbor employees is in direct response to President Trump’s Tax Cuts and Job Act of 2017. BLUE HILLS BANK – NORWOOD, MASS.:

The Company recorded an expense of $70,000 in the fourth quarter of 2017 related to awarding a $1,000 bonus to each employee with a functional title below the Assistant Vice President level. The Company also took action to raise the hourly pay rate to $15 for a small number of hourly employees not already at that pay level. BMO HARRIS BANK – CHICAGO, ILL.:

BMO Harris Bank Tuesday joined other banks in raising its minimum wage to $15 per hour because of the recent changes to the corporate tax rate.

BMO Harris, based in Chicago but with a major presence in Milwaukee, said it will also raise its level of community giving by 10 percent in 2018 because of the tax reform law. BMO Harris Bank gave more than $17 million to community groups throughout its U.S footprint in 2017, emphasizing community and economic development, health and human services, education and the arts. BNB BANK – BRIDGEHAMPTON, N.Y :

BNB Bank said it was increasing its minimum wage from $13 to $15 in light of the lower corporate tax rate. The bank added it was also increasing wages for employees in the tier above that.

About 100 employees, or 20 percent of the bank’s workforce, will see an increase, BNB said. BOEING – CHICAGO, ILL.:

    $100 million for corporate giving, with funds used to support demand for employee gift-match ***programs*** and for investments in Boeing’s focus areas for charitable giving: in education, in our communities, and for veterans and military personnel.     $100 million for workforce development in the form of training, education, and other capabilities development to meet the scale needed for rapidly evolving technologies and expanding markets.     $100 million for “workplace of the future” facilities and infrastructure enhancements for Boeing employees.     Boeing’s “Dollars for Doers” ***program*** will raise the gift match level for all employees, increasing the cap on eligible charitable gifts to $10,000 from $6,000.

BP – LONDON, ENGLAND:

British oil and gas company BP will increase investment in the United States after the lowering of tax rates under President Donald Trump, Chief Executive Bob Dudley said. BRECKENRIDGE LANDSCAPE LLC – NEW BERLIN, WIS.:

Breckenridge Landscape LLC is giving employees pay raises and investing in office and equipment purchases. BROADRIDGE FINANCIAL – LAKE SUCCESS, N.Y :

Broadridge Financial Solutions said it was boosting workers’ pay, delivering bonuses and expanding employee benefits as a result of strong company growth and the recent federal tax law changes.

Lake Success-based Broadridge said its minimum hourly wage will increase to $15 per hour. It will also pay a $1,750 bonus to hourly, nonmanagement associates. BROWN-FORMAN – LOUISVILLE, KY.:

    $120 million contribution to the employee pension fund; creation of a charitable foundation with an initial $60 – $70 million contribution.

BRUNS GENERAL CONTRACTING – TIPP CITY, OHIO:

The company said it is investing in more equipment and strengthening its retirement benefits because of the money it expects to save in the next tax reform bill. BURGUND & ASSOCIATES – CLEVELAND, OHIO:

Burgund & Associates is giving $500 bonuses to staff, $250 bonuses to field employees. CABOT OIL & GAS – HOUSTON, TEXAS:

    $1,600 bonuses for employees.

CAMDEN NATIONAL BANK – CAMDEN, MAINE:

$1,000 bonus for full-time employees, a $750 bonus for part-timers and new funding both for customer-focused technology upgrades and for its community giving. CAMP CONSTRUCTION HOUSTON, TEXAS:

Camp Construction Services, a Houston-based full-service general contractor, awarded its employees with $500 tax reform bonuses in December. CANARY LLC – DENVER:

Canary LLC announced it will hire new employees and purchase more equipment. CARTER’S – ATLANTA, GA.:

Children’s clothing giant Carter’s Inc. said that thanks to “the significant and unexpected benefit in 2017 of the historic tax reform legislation,” the company will spend $20 million to increase employee retirement ***plan*** contributions and give bonuses for eligible full-time and part-time employees.

The company said it expects a total net benefit of $40 million related to the enactment of the Tax Cuts and Jobs Act of 2017, of which about half will be invested in brand marketing and improved eCommerce capabilities. CAPITAL ONE – MCLEAN, VA.:

Capital One is raising its base wage to $15 per hour for U.S employees.

The news was announced to associates on Tuesday January 9, 2018. CARL BLACK AUTOMOTIVE GROUP – KENNESAW, GA.:

    Bonus to over 500 employees, amount depending on years of service

CARMAX – RICHMOND, VA.:

CarMax, Inc., the nation’s largest retailer of used cars, announced ***plans*** to provide one-time bonuses to most hourly and commissioned full-time and part-time associates as a result of the recently passed Tax Cuts and Jobs Act of 2017. Bonus amounts will vary from $200 up to $1,500 based on length of service with the company. CARPENTER TECHNOLOGY – READING, PA.:

Carpenter Technology announced that it will invest $100 million in new equipment and capabilities in its Reading mill.

Company officials said they ***plan*** to increase the facility’s capabilities in so-called “soft magnetic technology,” and add a precision strip hot rolling mill in order to meet increased demand in the aerospace, consumer electronics and electric vehicle markets. CEDAR RAPIDS TOYOTA – HIAWATHA, IOWA:

Owner Scott Ryan decided to give each full-time employee a $500 tax break. The company sees the bonus checks as a way to give back to both the employees and the community, thinking many of the employees will spend the extra money around town. CENTAUR GAMING – INDIANAPOLIS, IND.:

Centaur Gaming announced it would be sharing its federal tax cut with employees by giving each of them a $500 bonus check.

Centaur, which owns and operates Hoosier Park Racing & Casino in Anderson and Indiana Grand Racing & Casino in Shelbyville, said its 2,000 or so employees would receive the checks next week. CENTERSTATE BANK – DAVENPORT, FLA.:

CenterState Bank is giving $1,000 bonuses to its non-officer employees as a result of the new tax law. About 700 workers, or 60 percent of the company’s employees as of Dec. 31, will receive the bonus, CenterState said in a Jan. 19 filing with the U.S Securities and Exchange Commission. CENTRAL BANK – ST. LOUIS:

Central Bank of St. Louis employees will get a special bonus as a result of the new federal tax reform.

Central Bancompany, Inc., which employs more than 2,500 people across four states, announced Friday that full-time employees would receive a $1,000 bonus and part-time employees would receive a $500 bonus. CENTRAL PACIFIC BANK – HONOLULU, HAWAII:

Hawaii’s fourth-largest bank told the Star Advertiser it would provide $1,000 cash bonuses to employees outside of the executives on its management committee on Friday, as well as increase its starting pay to $15.25 an hour from $12 an hour on January 1. “With the announcement of the lowering of the corporate tax rate, we are delighted to be able to make this holiday season extra special for our hard-working employees, our most important asset,” CPB President and CEO Catherine Ngo said in a statement. CHARLES SCHWAB – SAN FRANCISCO, CALIF.:

    $1,000 bonus for about 9,000 non-executive employees

CHARLIE BRAVO AVIATION – GEORGETOWN, TEXAS:

CEO Rene Banglesdorf of Charlie Bravo Aviation in Georgetown, Texas, committed to handing out $1,000 bonuses to her company’s six employees. Especially helpful to their operation, which sells and leases pre-owned aircraft, was that the bill allows immediate expensing of new and used equipment purchases. CHARLOTTE PIPE AND FOUNDRY – CHARLOTTE, N.C :

As an expression of gratitude for their hard work and dedication, and in anticipation of the lower federal tax rates made possible by The Tax Cuts and Jobs Act, we are pleased to be able to pay each Charlotte Pipe associate a special $1,000 bonus. CHARTER – STAMFORD, CONN.:

Charter is increasing our investment in our workforce by ensuring all employees are paid a minimum wage of at least $15 per hour, including target commissions, within the next year. CHIPOTLE – DENVER, COLO.:

    Chipotle’s hourly crew members will be eligible to earn a $250 bonus and its general managers will be able to earn $1,000.     Chipotle said that a third of its $40 million to $50 million tax savings will go to its employees.     The remainder of Chipotle’s tax savings would help fund the company’s $50 million investment in enhancing its existing restaurant locations.

CIGNA – BLOOMFIELD, CONN.:

    Cigna Raises Minimum Wage to $16.00 an hour     Provides Additional $15 Million in Salary Raises, Largely for Front Line Employees     Adds $30 Million to Employee 401(k) Match ***Program***     Commits Additional Investments to the Cigna Foundation

CINTAS CINCINNATI, OHIO:

Bonuses for  38,000 employees; $1,000 for employees of at least a year, $500 for employees of less than a year. CIRCUIT INTERRUPTION TECHNOLOGY – ROGERS, MINN.:

Employees were notified just before Christmas of one extra week pay added to their final year end check as a result of the new tax reform measure.

Due to the positive atmosphere created by the passage of the tax bill Company profit sharing combined with normal 401K contributions amounted to an additional 5% per employee for 2017. CIT has added 10% to our staff thus far in January 2018 and more additions are expected. CITIZENS BANK – PROVIDENCE, R.I :

Citizens Bank is giving bonuses to its employees in the wake of the federal tax ***plan*** recently passed by Congress. Citizens Financial Group said it will contribute $12.5 million toward one-time $1,000 cash bonuses to an estimated 12,500 employees, as well as $10 million to the Citizens Charitable Foundation. CLAYTON DISTILLERY – JEFFERSON COUNTY, N.Y :

Michael L. Aubertine is looking forward to upgrading his Clayton Distillery using the extra revenue he’ll have due to the excise tax reduction for spirits from the federal tax reform bill. CLECO – PINEVILLE, LA.:

Cleco says savings related to the recent federal tax reform will allow them to help their customers save money.

According to the energy company, the Tax Cuts and Jobs Act reduced that amount of federal income tax they will have to pay. The federal corporate tax rate dropped from 35 percent to 21 percent. Officials within the company said this will allow them to help their customers financially. COACH, TRUCK, & TRACTOR – CONNEAUT, OHIO:

Higher Christmas bonuses thanks to tax reform for this family business with seven employees. Bonus amounts determined by length of service. COGENT BUILDING GROUP – POINT CLEAR, ALA.:

    $2,000 bonuses for all four employees.

COLLEGE OF THE OZARKS – POINT LOOKOUT, MO.:

College of the Ozarks has decided to issue a check to each College employee in the amount of $204 as a result of savings from the recent U.S Tax Code revision.

“We were expecting to have to pay the extra amount in Obamacare costs,” said College President Jerry C. Davis. “We are grateful for this savings and want to pass it along to our hard-working employees. It is a simple, but tangible, way to express our appreciation to them. We hope other organizations will consider doing the same.” COMCAST – PHILADELPHIA:

Comcast joined the growing list of companies announcing bonuses for employees due to the passage of the Tax Cuts and Jobs Act that allows businesses to be competitive again. More than 100,000 employees will now receive $1,000 bonuses, and the company ***plans*** to invest $50 billion over the next five years which will  lead to the creation of thousands of jobs. COMERICA – DALLAS, TEXAS:

Dallas-based Comerica provided a $1,000 bonus for its non-officer employees and boosted its bank-wide minimum wage to $15. COMMERCE BANK – KANSAS CITY, MO.:

Citing the new federal tax reform legislation, Commerce Bancshares is giving thousands of its employees a $1,000 bonus.

The parent company of Commerce Bank, which has corporate offices in Clayton and Kansas City, said 3,450 full-time employees, or 75 percent of its workforce, will get the $1,000 bonus. Eligible part-time employees will get a $250 cash bonus. COMMONWEALTH EDISON – KANSAS CITY, MO.:

ComEd is filing a petition with the Illinois Commerce Commission (ICC) seeking approval to pass along approximately $200 million in tax savings to its customers in 2018. If approved by the ICC, the average ComEd residential customer can expect to see an estimated $2-$3 decrease on their monthly bill related to the tax reduction.

The Tax Cuts and Jobs Act (TCJA), which was signed into law on Dec. 22, 2017 and became effective on Jan. 1, 2018, decreased the corporate tax rate from 35 percent to 21 percent, reducing the amount of federal income tax ComEd will have to pay. COMMUNITY TRUST BANK – PIKEVILLE, KY.:

Community Trust Bancorp, Inc. is pleased to announce that in recognition of the contribution of the Company’s employees to the ongoing success of Community Trust Bancorp, Inc. and the positive impact the changes in tax laws will have on the Company, a special bonus for employees. All full time employees will receive a special bonus of $1,000 and employees classified as part time will receive a $500 bonus. Executive Management will not participate in this special bonus. The bonus will be paid to employees as soon as the new tax tables are released in 2018 so that employees may receive the full benefit of the reduction in tax rates. COMMUNITY VALLEY BANK – EL CENTRO, CALIF.:

In consideration of the expected benefit from the corporate tax reduction, the bank awarded each employee a $500 bonus. The bank has also enhanced employee education and training opportunities for 2018 and expanded its community contribution budget toward local non-profit services. COMPUTER SERVICES INC. – PADUCAH, KY.:

Computer Services Inc. is giving a $1,300 cash bonuses for non-executive full-time employees with more than 12 months of service; $650 for part-time employees; and additional contribution to employee retirement ***plans***. CONSUMERS ENERGY – JACKSON, MICH.:

Consumers Energy was pleased to submit a proposal to the Michigan Public Service Commission that would lower customer bills starting in 2018 by approximately $200 million, as a result of the recent federal tax reform changes. We are thrilled to be able to pass along 100 percent of the savings from tax reform to the people we are privileged to serve. This underscores our commitment to people, planet and prosperity for all of Michigan. CONTINENTAL RAIL – FT. LAUDERDALE, FLA.:

President Donald Trump, his administration and Congress recently passed a bill that overhauls the U.S tax code.  One of the biggest changes it makes is slashing the corporate tax rate to 21 percent from 35 percent.

Beginning in 2018, we will see benefits from this tax reform, in the form of lower corporate tax rates.  We are excited about the benefits it will provide for our country’s economy, our Company, and our employees,  In the spirit of shared success, we will pass  those benefits along to employees.  Each employee will receive a $500 bonus (before taxes) in their paycheck next Friday, February 2, 2018.  We believe this is the right thing to do! – Excerpt from Jan. 24, 2018 letter to employees from John Marino, President & CEO COOPERSTOWN ENVIRONMENTAL – ANDOVER, MASS.:

    Doubled the company-paid retirement contribution for all employees.

COPPERLEAF ASSISTED LIVING – ROTHSCHILD, WIS.:

An assisted-living business will give its 175 employees bonuses up to $600 as a result of the tax reform package passed by Congress and signed by President Trump. COSTCO – ISSAQUAH, WASH.:

Many retailers have announced ***plans*** to spend their tax-cut windfalls on one-time employee bonuses or more enduring wage increases. As retail pay is boosted, Costco intends to keep compensation for its more than 239,000 workers ahead of the pack, executives said Wednesday as the company reported its quarterly results. COX ENTERPRISES – ALTANTA, GA.:

Cox Enterprises will pay employees $2,000 bonuses on Tax Day. COX MANUFACTURING – SAN ANTONIO, TEXAS:

Cox Manufacturing will move up construction of a new 8,000-square-foot plant. CUNA MUTUAL GROUP – MADISON, WIS.:

CUNA Mutual Group said the company is making its largest contribution ever to its philanthropic foundation, a $20 million donation made possible in part by federal tax reform. CUSTOMERS BANK – WYOMISSING, PA.:

Customers Bank announced Friday that it pass to pass along some of its tax savings to consumers and the community, starting with a bonus checking account that earns two percent interest.

The new bonus checking account offers two percent APY on monthly average balances up to $100,000, with no fees or minimum balance requirements. To qualify, customers need to use their account’s debit card for signature purchases of at least $500 each month.

Customers Bank also announced Friday that it will increase its charitable giving by $1 million in 2018 and continue to pay its employees at least $15 per hour. CVS – WOONSOCKET, R.I :

The largest U.S drugstore chain said Thursday that it would hike the starting wage for hourly workers to $11 per hour. That equals recent increases at Walmart and Target.

The company also said it would give pay raises to “many” of store workers and retail pharmacy technicians who were already making more than that.

CVS also ***plans*** to increased its paid parental leave policy to four weeks at 100% compensation for all new parents and said it would not increase employee health insurance premiums in its upcoming ***plan*** year.

Taken together, the company said the moves would cost $425 million annually. DARDEN RESTAURANTS – ORLANDO, FLA.:

The Orlando-based restaurant chain said Monday the tax cut will prompt it to spend an additional $20 million on its 175,000-plus employees this year, but did not give specifics. DATA SALES CO. – SCOTTSDALE, ARIZ.:

Data Sales Co., Inc. announced that the Company will celebrate the recent passage of tax reform legislation by distributing to all 80 plus employees a special bonus of $1,000 each. Data Sales Co. will benefit from the new tax law lowering the corporate tax rate from 35 percent to 21 percent. DAVIS TRUST – ELKINS, W.V :

    Davis Trust Company, Elkins, W.Va , provided a 3 percent across-the-board pay increase on top of year-end merit and cost-of-living increases.

DAYTON T. BROWN INC. – HOLLYWOOD, MD.

Dayton T. Brown Inc., an engineering and testing company, is giving each of its roughly 210 employees a $400 bonus.

DENIZENS BREWING COMPANY – SILVER SPRINGS, MD.:

    “Your first five years are when you’re trying to earn every penny,” says Julie Verratti, who co-founded Denizens Brewing Company in Silver Spring, Maryland in 2014 with a business loan backed by her own house. She estimates the tax break will save her $6,000 in 2018. “Every single bit of that goes back into the business.”

DEPATCO, INC. – ST. ANTHONY, IDAHO:

DePatco, Inc. is using the savings to give employees bonuses. DIME COMMUNITY BANK – NEW YORK, N.Y :

    Create jobs, by accelerating the hiring of new associates, particularly in technology, regulatory compliance, cybersecurity and relationship banking, along with more rapid adoption of technology to improve the customer experience and bring additional products and services to our customers; absent the new tax law, these business-building actions would normally have occurred over a much longer time frame;     Review our corporate policy and practices relating to common stock dividends to determine the appropriate level of payout in light of the improved earnings outlook over the near and intermediate term.     Pay a one-time $1,000 bonus to all non-executive employees thereby enabling them to also share immediately in the benefits of the tax cut.     Institute a Corporate Matching Gift ***program*** as a way to encourage Dime’s employees to give back to their communities and leverage their commitment through a matching gift.     In 2017, Dime made over $450,000 available to local charities and disaster recovery organizations. Beginning in 2018, our goal is to double the amount of our philanthropic and community giving.

DISCOVER – RIVERWOODS, ILL.:

Discover announced ***plans*** to raise its minimum hourly pay rate to $15.25 for virtually all of its full-time U.S employees as a result of the recent corporate tax reductions after granting a $1,000 bonus to more than 15,000 non-executive employees earlier this month.

The new minimum rate will take effect later this year and ultimately will impact more than 7,000 employees. DISNEY – BURBANK, CALIF.:

Walt Disney Co. said it will give employees a one-time cash bonus of $1,000, joining a growing list of companies handing out awards in the wake of federal tax reform.

About 125,000 U.S employees will be eligible, the company said Tuesday in a statement, putting the cost at $125 million. Disney also ***plans*** to put $50 million into a fund to help hourly employees with tuition costs and ***plans*** to provide as much as $25 million annually for that purpose afterward.

DIXON VALVE – CHESTERTOWN, MD.:

Dixon Valve is giving employees $1,000 bonuses.

DOHRN TRANSFER – ROCK ISLAND, IOWA:

Dohrn Transfer, with corporate headquarters for trucking and a company warehouse in Rock Island, has mailed out $1,000 bonuses to all of its approximately 1,200 employees in six Midwest states.

“It was from the tax ***plan***,” Heather Dohrn, vice president of a sales and marketing, said, referring to the tax cut signed into law Dec. 22 by President Donald Trump. DOLLAR TREE – CHESAPEAKE, VA.:

    Invest in stores with more hours, including training for associates,     Invest in people with increased average hourly rates,     Add Family Dollar eligible associates to the Defined Contribution ***Plan*** starting in fiscal 2017 and increase contributions in fiscal 2018, and     Establish paid maternity leave for eligible associates.

DOMINION ENERGY – RICHMOND, VA.:

As a result of federal tax cuts, Dominion Energy is passing on $17 million in savings to its consumers.

The Utah Division of Public Utilities announced that the energy company filed January 31, 2018, for the multi-millions in adjustments that enables customers to get a break on their gas bills. DON RAMON RESTAURANT – WEST PALM BEACH, FLA.:

Because of the recently passed Tax Cuts and Jobs Act, we will pay lower taxes and qualify for higher deductions, leaving Don Ramon in a better position than ever before. We ***plan*** to open a takeout window and set up a customer bar, which would generate up to eight new jobs. We will also install new refrigerators and coffee machines, in addition to making much-needed renovations to better serve our customers.

Perhaps most important, all of our key employees received generous bonuses in December, and they will also see pay increases in the coming weeks. We take great pride in rewarding our workers, and the new tax code makes it much easier to do so. DOT FOODS – ST. STERLING, ILL.:

Dot Foods, the largest food industry redistributor in North America, is happy to announce it will pay a $500 bonus to each of its full-time employees in the wake of the federal tax overhaul announced late last year.

Approximately 4,800 full-time employees from all twelve Dot locations in the United States and both Dot Foods Canada locations will receive the one-time bonus in mid-March. Those who were employed with Dot and Dot Transportation at end of 2017 are eligible. DTI PARTNERS – MOBILE, ALA.:

    $1,000 bonus to full-time employees; $300 bonus to part-time employees

DTN – BURNSVILLE, MINN.:

DTN, an independent provider of information and actionable insights in the areas of ***agriculture***, transportation and energy, and publisher of The Progressive Farmer, gave $1,000 bonuses to nearly 700 employees. DTE ENERGY – DETROIT, MICH.:

The recent passage of the Federal Tax Cuts and Jobs Act will offer benefits to energy customers across the country – including DTE’s utility customers here in Michigan. The reduction of the corporate tax rate will result in lower bills for DTE’s 2.2 million electric and 1.3 million gas customers. DUCK INN PUB – HYANNIS, MASS.:

$500 bonuses for full-time employees; $200 bonuses for part-time employees. Together with affiliated restaurants The Gateway Tavern, The Stowaway, Sail Loft, and Speedwell Tavern, the bonuses went to 93 employees. DUKE ENERGY – CHARLOTTE, N.C :

Duke Energy Florida today announced that customers will directly benefit from the new federal tax law and avoid a rate increase for power restoration costs associated with the company’s response to last September’s Hurricane Irma.

Instead of increasing customer rates, the company ***plans*** to apply federal tax reform savings toward those storm costs. DYER CAPITAL – MARION, MASS.:

Base wage raised 3.5% to $22 per hour; hourly employees also received a special one-time bonus. DYERSVILLE DIE CAST – DYERSVILLE, IOWA:

Full-time employees who were with the company prior to Oct. 1, 2017 will receive a $200 bonus on March 9. But, that’s not all.

All full-time, hourly employees will also be receiving $50 monthly bonuses for at least the next 12 months. DYNAMIC FASTENERS – RAYTOWN, MO.:

Owner Kevin Perz says he believes the tax cuts will be so good for the economy that he wanted to make sure he rewarded his employees for their loyalty.

“We are giving a maximum of $1,000 per full time employee,” Perz said. “It’s $200 for each year or partial year that you’ve been here. If you’ve been here four years and a day you get the thousand dollars. Part time employees get half of that.” E-CYCLE – HILLIARD, OHIO:

    $1,000 bonuses

EAGLE TELEPHONE SYSTEM, INC. – HELLS CANYON SNAKE RIVER CORRIDOR, ORE.:

Though our Companies are small in comparison to Boeing and AT&T and others on this list, our hearts are none the less just as big or bigger, said Mike Lattin, President and CEO of Eagle Telephone System, and Eagle Valley Communications, dba Comco Construction.

Mike announced that both Eagle and Comco employees will be receiving $1000.00 bonuses by the holidays, this is due in large part to the recent tax reform bill having been passed and also the fact that President Trump has worked very hard to lessen the regulatory burdens that had been put on our industry by the previous administration. Combined these companies employ 19 people in a very rural part of Eastern Oregon; Richland. Our services include providing telephone and broadband, cellular and wireless, as well as construction services of all types. Our services are critical to the Rural market we serve. A sample of our market is Hydro Production along the Hells Canyon stretch of Snake River, Ranchers, Cattle ***Producers*** and Farmers, providing everything from beef, lamb, soy, alfalfa, hay, dairy products and more, Forest Production Practices and in large part Recreation in all four seasons.

Mike stated that he believes that this administration is looking out for us, for Rural America and that is what we need to keep our industry competitive world wide. He finished by stating that this administration and the tax reform bill just passed have been a god send to Rural Eastern Oregon. – Statement by Rustin Lattin, for Mike Lattin, President and CEO. EBERLE COMMUNICATIONS GROUP – MCLEAN, VA.:

    Increased 401(k) match from 25% to 50% for all 45 employees.

ECOLAB – ST. PAUL, MINN.:

Ecolab Comments on Expected Impact of U.S Tax Cuts and Jobs Act, Announces Intent to Contribute $25 Million to Ecolab Foundation, and Forecasts Double-Digit 4Q 2017 and Full Year 2018 Adjusted EPS Growth

2018 Adjusted EPS Expected to Rise 12% to 16% to the $5.25-$5.45 Range

ELMER SMITH OIL COMPANY, DOMINO TRANSPORTS, INC. AND DOMINO FOOD & FUEL, INC. – CLINTON, OKLA.:

The company is giving bonuses to more than 300 employees.

EL PASO ELECTRIC COMPANY – EL PASO, TEXAS:

On December 14, 2017, the unopposed settlement approved by the Public Utility Commission of Texas (PUCT) included a provision to refund EPE’s Texas customers for the reduction in the federal income tax rate.

EPE is currently calculating the changes and impacts of the new tax law to determine the amount of the refund to be filed in mid-April.  EPE expects Texas customers will begin to see the refund as a credit on their bills by mid-year 2018 following PUCT approval of its refund filing. EMKAY – ITASCA, ILL.:

EMKAY, Inc. has announced that all full-time employees will receive a $1,000 bonus in response to the tax reform that was just signed by President Trump. EMKAY, a privately-owned fleet management company, wasted no time in taking action to pass the benefits of this reform on to their team. EMPIRE NATIONAL BANK – ISLANDIA, N.Y :

Empire National Bank is increasing salaries by 5 percent, upping its 401(k) match ***program*** and giving all nonexecutive employees one-time $1,000 bonuses as a result of the benefits derived from the recent federal tax overhaul.

“Two of the three benefit increases will be recurring in one way or another,” said Douglas C. Manditch, the bank’s chairman and chief executive. “We want to reward our employees, and we are very proud of their efforts in helping us achieve growth.” EMPIRE STATE BANK – NEWBURGH, N.Y :

Empire State Bank has provided a one-time bonus of $500.00 to its full time and $250.00 to its part time employees. Executive management was excluded.

“We are happy to share the benefit with our employees who continue to provide outstanding service to our customers, as well as our shareholders who will see this benefit fuel the continued growth and bottom line results,” said Philip Guarnieri, CEO.  “We will be adding at least 10 new jobs and expanding our footprint in the Staten Island and Brooklyn communities,” said Thomas Sperzel, President and COO. EMPLOYERS MUTUAL COMMUNICATIONS GROUP – DES MOINES, IOWA:

    $1,000 bonuses for employees with the exception of Vice Presidents and above.

ENNIS INC. – MIDLOTHIAN, TEXAS:

Ennis, Inc., a manufacturer of business forms and other business products headquartered in Midlothian, Texas, announced today that in conjunction with the signing of the Tax Cuts and Jobs Act of 2017, the Ennis Board of Directors has approved a special one-time bonus to more than 2,200 non-management employees in the amount of $500.00 each.  This payment will take place with the first payroll period in January 2018.

In addition, in response to this landmark act the Board of Directors has declared a special one-time cash dividend of $0.10 a share of our common stock.  The dividend will be paid on February 9, 2018 to shareholders of record on January 12, 2018. ENSTAR NATURAL GAS – ANCHORAGE, ALASKA:

Like other utilities across the country, Enstar is currently evaluating the legislation to determine the impact on its coffers, Hobson said. Savings that the company sees would be reflected in rates, she said. ENTERGY ARKANSAS – LITTLE ROCK, ARK.:

Entergy Arkansas, Inc. filed its ***plan*** on Feb. 27 with the Public Service Commission (PSC) to provide customers approximately $466 million in benefits as part of the recently enacted federal tax cut law.

ENTERGY LOUISIANA LLC – NEW ORLEANS, LA.:

Entergy Louisiana is passing along tax saving to customers.

ENTERGY MISSISSIPPI – JACKSON, MISS.:

Entergy Mississippi filed its preliminary ***plan*** for implementing tax reform. The formal ***plan*** will be filed in mid-March as part of the company’s annual rate filing. Entergy said that if the ***plan*** is approved by the Mississippi Public Service Commission, the multi-million dollars in tax savings will benefit customers in three ways:

    short-term bill credits,     long-term rate reductions and     alleviation of some future rate increases.

The changes are projected to begin this summer when usage and bills are typically at their highest. Based on its ***plan***, Entergy Mississippi expects residential customer bills to drop more than $30 per month during July, August, and September, from a combination of lower-rates and short-term bill credits. ENVIRONMENTAL CONSTRUCTION – WAYLAND, N.Y :

Environmental Construction Group, Inc. a small company from Albion, NY gave every one of their 50+ employees a $500.00 bonus. Employees were notified of this bonus the Friday before Christmas and bonuses where paid the Friday before New Years. ECG appreciates the work this administration has done to promote such a positive outlook on this nation, and will try just as hard to continue to help our employees. Robert Gibbs, Environmental Construction Group, Inc.

ERIE INSURANCE – ERIE, PENN.:

Erie Insurance is giving employees a $1,000 bonus and a $1,000 contribution to their 401(k) accounts.

EVANS BANK – HAMBURG, N.Y :

    Evans will provide all of its non-senior level associates a $1,000 bonus in recognition of their superior efforts on behalf of the Company and as part of an ongoing focus on providing excellent career opportunities and top-tier employment.     The Company recently made a $300,000 contribution to its Foundation, the largest such contribution in its history. Disbursements from the Foundation are invested in not-for-profit entities to enhance the quality of life within Western New York.     Benefits provided by tax reform will also allow the Company to increase its returns to shareholders and provide additional investment in our community. Evans is currently researching initiatives that will be impactful and make a difference in the fabric of the community that is responsible for our success.

EVERETT J. PRESCOTT INC. – GARDINER, MAINE:

Everett J. Prescott Inc. is giving $1,000 bonuses for employees with more than a year of service, $250 for employees with less than a year.

EVERSOURCE ENERGY – BOSTON, MASS.:The newly passed federal tax law reduces the amount of taxes Eversource will be paying by millions of dollars and today the energy company has informed the Department of Public Utilities of its decision to voluntarily pass those savings along to customers.

“We believe it’s important that our customers reap the benefit of a lower tax rate,” said Eversource Massachusetts Electric Operations President Craig Hallstrom. “As a regulated power company our rates are based on our costs, including federal taxes, so if taxes are reduced ultimately costs are reduced and that benefits our customers.” EXELON UTILITIES – CHICAGO, ILL.:

Exelon Utilities announced it is delivering a surge of $525 million in savings from the Tax Cuts and Jobs Act to 10 million customers across five states and DC to reduce their monthly bills. Exelon’s subsidiaries, ComEd, BGE, Atlantic City Electric, Delmarva Power, PECO, and Pepco will all soon power customers at a lower rate.

    ComEd will pass along $200 million in savings     BGE will reduce rates with $103 million in tax savings     Atlantic City Electric will provide $23 million in savings     Delmarva Power will pass along $39 million in savings     PECO will deliver $91 million in savings     Pepco will reduce rates with $31 million in savings

EXPANDED TECHNOLOGIES – MARIETTA, GA.:

    Minimum bonuses of $500 for each employee, additional cash depending on length of service

EXPRESS EMPLOYMENT PRC – OKLAHOMA CITY, OKLA.:

Express Employment Professionals nonexecutive employees in Oklahoma City each will receive a $2,000 bonus before the end of the year, CEO Bob Funk said.

Funk said the bonus is in part because of the company’s expected savings from the tax reform legislation Congress passed last week. EXPRESS SCRIPTS – ST. LOUIS, MO.:

Express Scripts employees will receive a one-time bonus thanks to the federal tax reform bill, executives told investors Wednesday morning during a conference call.

The average bonus will be about $1,200, Tim Wentworth CEO of Express Scripts said. The company will also create a $30 million education fund for employees’ children. FIDELITY – DUNMORE, PA.:

According to Fidelity Bank, $1,000 was paid to all of the bank’s full-time employees who earn less than $100,000 in annual compensation.

Fidelity Bank has 185 full-time and part-time employees.

The bank’s 11 part-time employees received a cash payment of $500.

The law Congress recently passed — reducing the corporate tax rate from 35 percent to 21 percent — made the investments in its employees possible. EXXON MOBIL – IRVING, TEXAS:

At ExxonMobil, we ***plan*** to invest more than $50 billion over the next five years to expand our business in the United States. These investments are underpinned by the unique strengths of our company and enhanced by the historic tax reform recently signed into law.

In fact, as you have probably seen, several companies have announced ***plans*** to invest here at home, partly as a result of tax reform, which among other things reduced one of the highest corporate tax rates in the developed world.

These positive developments will mean more jobs and economic expansion across the United States in a myriad of industries. F&M BANK – HARRISONBURG, VA.:

Employees of F&M Bank were surprised on Tuesday to learn they would receive a bonus, which the institution attributes to additional earnings expected as a result of the GOP tax ***plan***.

“This is an opportunity we haven’t seen during my career, as far as cuts in corporate tax rates,” said Executive Vice President Neil Hayslett. “Rather than just banking all that, so to speak, we wanted to share it with the employees.”

Those who work more than 30 hours a week were given a one-time bonus of $1,100 and those who work less were handed $750. FAMILY EXPRESS – VALPARAISO, IND.:

Family Express, which has 70 convenience stores across Indiana and is in the process of building 10 more, is bumping its starting wage to $11 an hour.

The 43-year-old convenience store chain is raising entry-level pay by $1 an hour, after pre-empting national retailers like Walmart with above-market starting wages in April 2015. Family Express said it was boosting pay because of the tax cuts that reduced the corporate tax rate from 35 percent to 21 percent and as a bid to recruit quality employees and reduce turnover. FEDEX – MEMPHIS, TENN.:

    Over $200 million in increased compensation, about two-thirds of which will go to hourly team members by advancing 2018 annual pay increases by six months to April 1st from the normal October date. The remainder will fund increases in performance-based incentive ***plans*** for salaried personnel.     A voluntary contribution of $1.5 billion to the FedEx pension ***plan*** to ensure it remains one of the best funded retirement ***programs*** in the country.     Investing $1.5 billion to significantly expand the FedEx Express Indianapolis hub over the next seven years. The Memphis SuperHub will also be modernized and enlarged in a major ***program*** the details of which will be announced later this spring.

FIAT CHRYSLER – LONDON, U.K :

Fiat Chrysler Automobiles will invest more than $1 billion to modernize the company’s Warren Truck Plant in metro Detroit, adding 2,500 jobs and moving production of its Ram Heavy Duty trucks from Mexico.

The changeover is to be complete in 2020.

The company said that the new federal tax law made the shift possible. That legislation, signed into law in December, cut the corporate tax rate from 35% to 21%.

FCA also announced $2,000 bonuses that will be paid in the second quarter of this year to 60,000 hourly and salaried employees in the U.S , excluding senior leadership. Those bonuses are to be in addition to any profit sharing or performance bonuses the employees would receive this year. FIFTH THIRD BANK – CINCINNATI, OHIO:

    Will pay more than 13,500 employees a bonus of $1,000 by the end of this year.     Will raise their company minimum wage to $15 an hour, which will amount to a raise for nearly 3,000 workers.

FINANCIAL INSTITUTIONS – WARSAW, N.Y :

“Recent tax reform will reduce our federal income tax rate in 2018 and provide opportunities to strengthen relationships with our most valued partners our employees, our customers and the communities in which we operate. The first action taken was a one-time award of $500 to employees not covered by certain incentive ***programs***. Approximately 70% of our employees will receive this award, and they will also be eligible to participate in a new profit-sharing ***program*** to be based on the Company’s 2018 performance.” FIREBIRD BRONZE – DAMASCUS, ORE.:

FireBird Bronze (Damascus, Oregon) – thanks to tax reform this full-service foundry with nine employees is able to offer health insurance for the first time. They are also upgrading equipment and hiring, and building a new facility in Troutdale, Oregon with ***plans*** to be up and running by the Spring.

We are a small manufacturing business casting artwork for artists in bronze, we have 9 employees and because of the tax cuts and the current business friendly climate we are for the first time offering employees health care insurance costing our company 40k per year. FIRST BANK & TRUST – ABINGDON, VA.:

    First Bank and Trust Company in Abingdon, Va., said it would give back 30 percent of its tax savings to employees by raising its minimum wage to $15 per hour.

FIRST FARMERS BANK – CONVERSE, IND.:

First Farmers Bank and Trust in Converse, Ind., said that it would raise its minimum hourly wage by $2.50, provide a 2017 year-end bonus of $750 for all full-time employees, invest at least $250,000 annually in community development activities and spend at least $150,000 per year on employee professional development. FIRST FEDERAL COMMUNITY BANK – DOVER, OHIO:

    $1,000 bonus to full-time employees and a $500 bonus to part-timers and increased charitable donations

FIRST FINANCIAL – CINCINNATI, OHIO:

First Financial Bancorp will raise the starting wage for all new and existing hourly associates to $15 an hour effective immediately. Additionally, the bank has made a $3 million contribution to its newly established charitable foundation. This announcement comes as a result of the recently passed tax legislation, which includes a reduction in corporate tax rates. FIRST FINANCIAL NORTHWEST – RENTON, WASH.:

First Financial Northwest, headquartered in Renton, Wash., said it would pay a $1,000 bonus to all of its non-executive employees. FIRST HAWAIIAN BANK – HONOLULU, HAWAII:

The state’s largest bank, said it will give out $1,500 cash bonuses to 2,264 employees, or all but 11 members of its senior management team. The state’s largest bank also will increase its minimum wage to $15 an hour from $12.75 an hour for 613 employees. FIRST HORIZON NATIONAL CORP – MEMPHIS, TENN.:

First Horizon National Corp. has announced that it will be increasing the minimum pay level of employees to $15 an hour. According to a release announcing the raise, the increase “reflects the company’s continues investment of tax savings in its people.”

In late 2017, First Horizon announced $1,000 cash bonuses to 70 percent of its employees, and made a $16.5 million contribution to the First Tennessee Foundation. FIRST MERCHANTS – MUNCIE, IND.:

First Merchants Corporation announced that it will raise the wage paid to hourly employees by $1 per hour as a result of the Tax Cuts and Jobs Act of 2017 signed by President Trump in Dec. 2017.

Additionally, as a reward for the company’s strong 2017 performance, all associates, excluding senior management, will receive a $500 one-time cash bonus. Part-time associates will receive a pro-rated share. FIRST MIDWEST BANK – ITASCA, ILL.:

    First Midwest Bancorp, based in Itasca, Ill., announced a new $15 minimum wage, a $1,035 bonus for nearly 85 percent of its workforce, and a $2 million gift to its charitable foundation.

FIRST NATIONAL BANK – SPEARMAN, TEXAS:

    $1,000 bonuses for its 44 employees.

FIRST NORTHERN COMMUNITY BANK – DIXON, CALIF.:

    Base pay raised by $2 per hour     $1,000 bonuses for all non-executive employees     increased charitable donations.

1ST SUMMIT BANK – JOHNSTOWN, PA.:

    First Bank and Trust Company in Abingdon, Va., said it would give back 30 percent of its tax savings to employees by raising its minimum wage to $15 per hour.

FIRST SENTINEL BANK – RICHLANDS, VA.:

First Sentinel Bank is giving employees a $750 cash bonus.

FIRST SOUTHWEST BANK – ALAMOSA, COLO.:As part of this commitment, starting team members at First Southwest Bank are immediately benefitting from the recent tax law changes, as the bank raises its starting wage to $14 an hour plus full benefits. FIRST TENNESSEE BANK – MEMPHIS, TENN.:

First Tennessee Bank has raised the base wage for current employees to $15 per hour.

The Memphis bank announced the raise on Thursday.

About 1,200 employees nationwide earning less than $15 per hour will be brought up to $15 with the new pay scale showing up in March paychecks.

The bank figures the raises will increase the overall annual payroll by about $6 million. That works out to $5,000 per employee on average, although a bank official said some workers could get bigger raises if they are far below the $15-level and others could get less if they already are close to $15.

As a result of the tax cuts, First Tennessee provided $1,000 bonus payments for 70 percent of its workers and contributed $16.5 million to the First Tennessee Foundation. FIRSTBANK – LONGMONT, COLO.:

$1,000 bonuses for full-time employees; $500 bonuses for part-time employees; base wage raised; salary increases. FIRSTCAPITAL BANK OF TEXAS – MIDLAND, TEXAS:

FirstCapital Bank of Texas, a $1 billion institution headquartered in Midland, Texas, will pay a $500 bonus to 197 bank employees before the end of the year.

FIRST COMMUNICATIONS, LLC – AKRON, OHIO:

First Communications, LLC is using the tax savings to give $1,000 bonuses and spend $3 million in capital investments.

5 SENSES SPA – PEORIA, ILL.:

    $500 bonuses for 20 employees     The company is also looking into additional employee benefits in 2018.

FIVE STAR BANK – BUFFALO, N.Y :

Employees of Five Star Bank’s parent company are the latest bank workers to cash in on the federal tax overhaul. Financial Institutions will award one-time $500 bonuses to about 70 percent of its employees, citing the financial benefit generated by the new tax ***plan***. FLEMINGTON CAR AND TRUCK COUNTRY – FLEMINGTON, N.J :

The new tax reform law is giving some benefits to New Jerseyans. The Flemington Car and Truck Country Family of Brands, a new and used car dealership in Flemington, is awarding each of its full-time employees a $500 bonus because of the recently passed federal Tax Cuts and Jobs Act.

As a result of the corporate tax rate cut under the new law to 21 percent from 35 percent, the company will also look to upgrade its facility and hire additional workers. The dealership is 41 years old and has 17 brands in eight different locations. THE FLOOD INSURANCE AGENCY – GAINESVILLE, FLA.:

    $1000 bonus for all our full-time employees

FLORIDA CONCRETE UNLIMITED – MIAMI, FLA.:

Florida Concrete Unlimited Inc. in FL26 gave an extra $137,500 in bonuses at the end of 2017. Making the total of employee bonuses $618,500, the largest in company history. FLUSHING FINANCIAL CORPORATION – UNIONDALE, N.Y :

    $1,000 bonuses for full-time employees     $500 bonuses for part-time employees.

FMS BANK – FT. MORGAN, COLO:

    Increased 401(k) contributions.

F.N.B CORPORATION – PITTSBURGH, PA.:

As an investment in its workforce, FNB ***plans*** to raise the minimum hourly wage for its employees to $15 by the end of 2019, accelerating an ongoing initiative to elevate hourly wages. Paying competitive wages will continue to be a focus for the Company in attracting and retaining the highest caliber employees to serve customers, which translates into strong financial performance and benefit to its shareholders. FNB will also provide a discretionary, one-time 401(k) contribution, totaling $1 million, to the vast majority of employees based upon analysis of compensation levels and eligibility. FONTAINEBLEAU – LAS VEGAS, NEV.:

On the same day that Trump signed the bill into law, New York developer Steven Witkoff announced ***plans*** to revive the stalled Fontainebleau resort. The imposing blue building on the north end of the Strip has sat empty since the original project went bankrupt in 2009. FRANKLIN SAVINGS BANK – FRANKLIN, N.H :

Franklin Savings Bank will use a portion of its tax savings to provide employees with a special bonus in recognition of their contribution to the continued success of the bank. FSB will benefit from the reduction in corporate tax rates, and has chosen to share the savings with its employees. All employees will receive a $1,000 bonus. FTCH – GRAND RAPIDS, MICH:

Grand Rapids-based Fishbeck, Thompson, Carr & Huber, or FTCH, said yesterday it issued $1,500 bonuses to all 400 of its full- and part-time employees, effective Dec. 29.

Jim Susan, president of FTCH, said the company decided to give out the bonuses as a result of the firm’s tax savings following passage of the federal tax bill on Dec. 22.

“We just decided it was a little windfall for the firm in general, and we decided we would share that with all our staff members,” he said. “Everyone got the same amount, regardless of position. FULTON FINANCIAL – LANCASTER, PA.:

Fulton Financial Corporation announced that during 2018, it will invest an additional $2 million in the communities it serves as part of its Fulton ForwardTM initiative; and the company will raise the minimum wage paid to employees in addition to providing an additional week of pay at year-end to employees who do not participate in an incentive ***plan***. GATE CITY BANK – FARGO, N.D :

Gate City Bank in Fargo, N.D , will pay a one-time, $1,000 bonus to all non-management employees on Jan. 15; contribute $500,000 toward offering new and existing customers free appraisals on home remodels, purchase or refinances; and donate an additional $500,000 to support charitable causes. GATEWAY TAVERN – WAREHAM, MASS.:

$500 bonuses for full-time employees; $200 bonuses for part-time employees. Together with affiliated restaurants The Gateway Tavern, The Stowaway, Sail Loft, and Speedwell Tavern, the bonuses went to 93 employees.

GEORGIA POWER – ATLANTA, GA.:

Georgia Power is using the tax savings to give $1.2 billion to customers in benefits.

GKM AUTO – ZANESVILLE, OHIO:

GKM Auto Parts, which ***plans*** to reinstate health insurance for its employees after dropping it two years ago… Before the 2010 Affordable Care Act, the Zanesville, Ohio-based business offered health insurance to the 21 employees at its four locations in eastern Ohio. GLOBAL PAYMENTS – ATLANTA, GA.:

As a result of the newly enacted tax reforms here in the United States, we ***plan*** to make incremental investments in our people, our technologies and our communities this year.  For example, we ***plan*** to accelerate our investments in extending our U.S direct sales model around the world.   We also intend to invest in new career development ***programs*** and additional diversity and inclusion efforts for our people worldwide. And we ***plan*** to make incremental investments in artificial intelligence and data analytics, building on ACTIVE Network’s successes in these areas.   Finally, we intend to double our charitable contributions to our local communities based on feedback from our employees to benefit those most in need.  In the aggregate, these significant initiatives represent a low eight figure amount of potential investment globally.

GOAD COMPANY – INDEPENDENCE, MO.:

Goad Company is giving employees $1,000 bonuses.

GREAT SOUTHERN BANK – SPRINGFIELD, MO.:

Great Southern Bancorp, Inc., says it will pay $1,000 in cash to all full-time employees and $500 to part-time workers who were employed by the bank on Dec. 31.

In a news release, Great Southern specifically cited the federal tax reform legislation that Congress passed and President Donald Trump signed into law in December.

GREAT SOUTHERN WOOD PRESERVING, INC. – ABBEVILLE, ALA.:

Great Southern Wood Preserving, Inc. is using the tax savings to give 1,200 employees a bonus: full time employees receive $1,000 and part time employees receive $500.

GREAT WESTERN BANK – SIOUX FALLS, S.D :

    Raising the minimum wage to $15;     A special one-time $500 bonus or wage increase for nearly 70% of its workforce;     Enhancements to employees’ health care offerings effective for the 2018 enrollment period; and     The doubling of its annual contribution to its Making Life Great Grants community reinvestment ***program***.

GREEN MOUNTAIN POWER – COLCHESTER, VT.:

“After the federal tax ***plan*** passed, GMP pledged to return 100% of the tax benefit to customers, and today’s letter sets in motion our ***plan*** to reduce rates to provide those savings to our customers immediately,” said President and CEO Mary Powell. “Keeping energy costs low and stable is a key focus at GMP and this decrease will help offset increased cost pressures in other areas outside of our control such as regional transmission costs.” GREEN RECOVERY TECHNOLOGIES – NEW CASTLE, DEL.:

“We are a startup waste-to-value biochemical company of seven that believes in the direction the country is going and that our best days are ahead of us. These tax reductions benefit our workers by providing an instant no cost wage hike. Paying the bonuses in a low tax environment was an easy decision for GRT since we know that this low cost capital is being invested in the local community where it will be spent on goods and services as well as being by employees into their retirement savings accounts.” — Kenneth Laubsch, President and CEO, Green Recovery Technologies, LLC GRIFFITH TRUCKING – EFFINGHAM, ILL.:

“I’m excited for my employees,” said Griffith, who anticipates he’ll save about $100,000 under the new tax law. “This gives them hope that they are not just working at some humdrum job paying them the same until they die.”

Griffith owns Griffith Trucking, inside of which is the moving company, Broadway Express. He also owns Heartland Peterbilt and Heartland Classics in Effingham and Newton. GROOMER’S SEAFOOD – CORPUS CHRISTI, TEXAS:

Groomer’s Seafood ***plans*** to expand distribution facilities serving thousands of restaurants statewide. GROUP 1 AUTOMOTIVE – HOUSTON, TEXAS:

Group 1 Automotive, Inc., an international, Fortune 500 automotive retailer, announced a $500 cash bonus for non-management dealership employees and operational support staff in the U.S The Company owns and operates 115 dealerships nationwide. GULF COAST BANK – NEW ORLEANS, LA.:

Gulf Coast Bank & Trust Company CEO & President Guy T. Williams announced a 50% increase in funds to be given away in its Community Rewards ***Program*** – an annual online contest hosted by Gulf Coast Bank that awards funds to the top 10 nonprofit organizations voted on by the community.

Gulf Coast Bank has also raised its minimum wage to $12.00 dollars per hour effective Monday, January 8, 2018. This increase gives the bank one of the highest starting salaries for unskilled workers in the state. GULF POWER COMPANY – PENSACOLA, FLA.:

Gulf Power has filed a request with the Florida Public Service Commission seeking approval to pass along approximately $103 million in tax savings to its 460,000 customers.

GUY CHEMICAL COMPANY INC. – SOMERSET, PENN.:

Guy Chemical Company Inc. is increasing bonuses, increasing wages, and investing in new equipment – a new forklift, new laboratory furnishings, updated computer equipment, and new software system.

HACIENDAS – LAS CRUCES, N.M :

A Las Cruces company ***plans*** to hire more people and increase salaries for existing employees.

“The decision was not firmly made until the tax reform went through,” said Gary Coppedge, CEO of Haciendas at Grace Village, an assisted living and memory care facility.

Haciendas at Grace Village had ***planned*** to expand in the future but the company is moving forward now because of lower taxes according to Coppedge. The assisted living facility which has 49 employees may hire as many as 40 additional people. THE HAMMOCK SOURCE – GREENVILLE, N.C :

The Hammock Source says employees will be immediately receiving a bonus up to $1,000 determined by the employee’s length of service with the company.

The company says they are a direct result of the Republican tax reform bill. HAPPY STATE BANK – HAPPY, TEXAS:

    Happy State Bank has a new starting minimum wage of $13.50 per hour…increasing to $14.00 after a 90-day probationary period.     Present employees currently earning less than $14.00 per hour will be increased to this amount immediately.     Employees currently earning between $14.00 and $17.50 hourly will receive an approximate $0.50 hourly wage increase.     Salaried employees making less than $18 hourly will receive a $1,000 annual increase.     Full-time employees making up to $100,000 (and not in the above categories) will receive a one-time $1,000 bonus or $500 bonus if part-time.     The KSOP Retirement ***Plan*** dollar-for-dollar company match will increase from 6% to 7%, which benefits every employee that participates to that level.

HARBORONE BANK – BROCKTON, MASS.:

HarborOne Bank said on Wednesday that it’s accelerating its ***plans*** to implement a $15-per-hour minimum wage and will give a one-time $500 bonus to more than 600 bank employees as a result of federal tax reform legislation. HARFORD ALARM COMPANY – BEL AIR, MD.:

    $1,000 bonuses for all 13 employees.

HARRIS CORPORTATION – MELBOURNE, FLA.:

    Expecting to contribute additional $300 million to employee pension fund     Adding $20 million investment in innovation     Granting non-executive employees approximately $24 million in stock awards

THE HARTFORD – HARTFORD, CONN.:

The Hartford Financial Services Group Inc. announced bonuses tied to a federal overhaul reducing the corporate tax rate.

Chief Executive Officer Christopher Swift told reporters the investment and insurance company will distribute bonuses of $1,000 each to employees who are paid less than $75,000 a year. It’s an acknowledgment of their contributions, the CEO said.

About 9,500 employees will benefit, Swift said after speaking at a meeting of the Connecticut Business and Industry Association. HARVARD BUSINESS SERVICES – LEWES, DEL.:

Harvard Business Services, Inc., located in Lewes, Delaware, has just announced it will join many companies nationwide and award all full-time employees with an immediate $1,000 bonus in their next pay check in order to augment their tax savings.

Mike Bell, Vice President and Director of Marketing, announced the bonus, saying, “We appreciate the great job you do, and the dedication you show our clients every day. Keep up the good work.” HAWAII NATIONAL BANK – HONOLULU, HAWAII:

    A $1,000 bonus to all employees     Increased minimum wage to $15 per hour

HAWAIIAN ELECTRIC – HONOLULU, HAWAII:

The 460,000 customers of the Hawaiian Electric Companies could see lower electric bills as a result of the federal corporate income tax cut.

Changes to federal tax law will lower corporate rates from 35 percent to 21 percent starting this year. That is expected to result in a lower tax bill for Hawaiian Electric, Maui Electric and Hawaii Electric Light. HAWTHORN BANK – JEFFERSON CITY, MO.:

Jefferson City-based Hawthorn Bank announced Thursday it will give employees bonuses of up to $1,000 because of the recent tax cut passed by Congress.

Full-time employees will receive bonuses of $1,000, and part-time employees $500. Hawthorn became the second local bank to give bonuses after Congress passed a sweeping tax cut for businesses and individuals in December.

Hawthorn Bank’s board of directors approved the bonuses at its January board meeting, said Gregg Bexten, president of Hawthorn Bank’s central region. HEARTLAND BANK – GENEVA, NEB.:

    $1,000 bonus to full-time, non-executive employees     $500 bonus to part-time employees

HENRY SCHEIN INC. – MELVILLE, N.Y :

In recognition of our team members, following the recent U.S Tax Cuts & Jobs Act, Henry Schein ***plans*** to distribute up to a $1,000 one-time cash bonus to certain designated staff members in the U.S with one full year of service as of January 1, 2018.

HINEE GOURMET COFFEE – HELOTES, TEXAS:

Hinee Gourment Coffee ***plans*** to use the savings to upgrade systems/equipment and enhance wages, benefits, and bonus ***programs***.

HOME BANK – CONWAY, ARK.:

Home Ban announced ***plans*** to distribute a one-time bonus of $500 for more than 850 full-time tenured employees.

“The tax reform has created the opportunity for us to reward our employees who are working hard each day to both serve our customers and enrich relationships in our communities,” added Mr. Allison. “We look forward to identifying additional opportunities for Home BancShares to invest in our people and communities as we continue to execute our business strategies and deliver long-term value to our shareholders.” HOME DEPOT – ATLANTA, GA.:

    Home Depot joins a growing list of corporations using new tax benefits to invest in their workers.     Certain additional expenses and the bonus payments will negatively impact Home Depot’s fiscal 2017 earnings.     Home Depot is still evaluating how new tax legislation will impact the business in fiscal 2018, but said it should be “beneficial.”

HOMESTREET BANK – SEATTLE, WASH.:

HomeStreet Bank announced that it has raised its company minimum wage to $15 per hour across all 111 retail branches and lending centers in seven states. The increase took effect January 1, 2018. The announcement comes on the heels of the recently signed federal tax reform bill that cut the corporate tax rate from 35 percent to 21 percent.

HomeStreet made the decision to increase its minimum wage in order to share the tax reform benefits with its employees. The change is particularly welcome as the cost of living continues to increase across the country. HONEYWELL – MORRIS PLAINS, N.J :

Our strong performance in 2017, together with the enactment of new U.S tax legislation, has enabled us to increase our 401(k) match in the U.S This is a sustained, annual benefit that will provide a more secure retirement for our employees. We believe that enhancing this benefit is extremely valuable and important to our employees over the long term. HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY – NEWARK, N.J :

New Jersey’s largest health insurer says it will be using $150 million in refunds from the federal tax overhaul for its members.

Horizon Blue Cross Blue Shield of New Jersey also announced Wednesday that it will be spending an additional $125 million over five years on health initiatives — including ***programs*** that connect people to mental health and substance abuse services. HORMEL – AUSTIN, MINN:

Hormel Foods Corp. this morning announced that it ***plans*** to use savings from the federal Tax Cuts and Jobs Act to award stock options to its employees and raise starting wages to $13 an hour. HOSTESS – KANSAS CITY, MO.:

The company, which makes Twinkies, Ding Dongs and Ho Hos, is providing its employees one-time payments of $1,250 — with $750 in cash and $500 in the form of a 401(k) contribution. In taking the step, Hostess cited last month’s tax legislation, which slashed the rate for U.S corporations.

It’s also offering a year’s worth of free food to workers — though they won’t be able to eat all the Ding Dongs they like. A representative from each of Hostess’s bakeries will choose a product each week, and the employees will be able to take home a multipack of that item. The company also makes Hostess CupCakes, Fruit Pies and Donettes. HUMANA – LOUISVILLE, KY.:

The Louisville-based company announced that because of the lower corporate income tax rate, it’s investing in its employees. It’s raising the minimum hourly rate for full- and part-time associates to $15 an hour. The company is also accelerating a previously announced incentive ***program*** for employees.

HUNTER CHASE & ASSOCIATES – SPRINGFIELD TOWNSHIP, MO.:

Hunter Chase & Associates is using the savings to give employees bonuses, purchase new trucks and invest in equipment.

HUNTINGTON INGALLS INDUSTRIES – NEWPORT NEWS, VA.:

Huntington Ingalls Industries is giving employees a $500 bonus.

IAT INSURANCE GROUP – RALEIGH, N.C :

IAT Insurance Group will pay a $3,000 bonus to all non-executive employees on January 15, 2018. The additional bonus comes in response to the newly passed tax reform bill – the tax savings will be shared with approximately 700 employees.

ITC HOLDINGS CORPORATION – NOVI, MICH.:

ITC Holdings Corporation will pass savings to customers.

IBERIA BANK – LAFAYETTE, LA.:

    Pay raise of $2/hour\* will be given to non-exempt, non-commissioned associates, who currently earn $15 per hour or less, ranging from an average of 12% to as much as a 23% increase, in base compensation.     $1,000 cash bonus\* will be paid to all part-time and full-time associates who currently earn between $15/hour and $100,000 annually in base pay.

IDEXX LABRATORIES – WESTBROOK, MAINE:

Maine’s largest publicly traded company announced ***plans*** to share the benefits of federal tax reform with employees by paying more into their retirement ***plans***.

For every dollar a 401(k) participant contributes, the Westbrook-based company will match that amount dollar-for-dollar up to 5% of an employee’s salary. INLAND NORTHWEST BANK – SPOKANE, WASH.:

A Spokane-based bank gave out raises and bonuses to its 200 workers in anticipation of a windfall from corporate tax cuts.

After Congress passed a sweeping federal tax reform bill last month, INB announced it would raise its starting wage to $15 per hour and provide $500 year-end bonuses to all employees except senior executives. INFORMATION FIRST – MANASSAS, VA.:

$500 cash bonus for all 15 employees. INGALLS – PASCAGOULA, MISS.:

Workers at Huntington Ingalls Industries will receive a one-time bonus in the company’s response to the federal Tax Reform Act.

A $500 bonus will be given to all employees except for those who work through an incentive ***plan***.

HII is the parent company of Ingalls Shipbuilding, which employs about 11,500 workers and is the largest manufacturing employer in Mississippi. INSPERITY – HOUSTON, TEXAS:

Tax reform bonuses will be paid to employees in February, totaling $17 million. INTERNATIONAL OFFSET CORPORATION – LOS ANGELES, CALIF.:

    $1,000 bonuses to all employees and 1099 subcontracting partners.

IOWA-AMERICAN WATER CO. – DAVENPORT, IOWA:

Iowa-American Water Co., which provides service in eastern Iowa, would provide $1.5 million and $1.8 million to customers. IRON HORSE ENERGY SERVICES – EOLIA, MO.

    Iron Horse Energy Services Inc. is providing new bonuses. In a news report, one employee said, “Thank you Mr Trump for being a businessman.”

ISG – STAMFORD, CONN.:

Information Services Group (ISG) (Nasdaq: III), a leading global technology research and advisory firm, said today it will earmark funds for additional investment in global digital initiatives over the next two years to accelerate growth, and make an additional contribution of $500 to every U.S employee’s 401(k) retirement account on U.S Tax Day, April 17, 2018. The moves are in response to the recent passage of the federal Tax Cut and Jobs Act. ISI FINANCIAL GROUP – LANCASTER, PA.:

At year ahead staff ***planning*** meeting in January I proudly announced to all of our staff that because of the new tax law, that ISI is happy to share the tax savings and will providing to all staff members a $2000 bonus.  When announced, the staff were all taken back, very surprised and EXTREMELY grateful. JERGENS – CLEVELAND, OHIO:

Thanks to the tax package, Jergens took what would normally be a cost of living increase for its workers, doubled it and built it in as a permanent part of wages, rather than making it a one-time bonus as some companies did. That means a worker making $25 an hour got a raise of about $2,000 a year. JETBLUE – NEW YORK, N.Y :

JetBlue Airways Corp. said that it ***plans*** to give a $1,000 bonus to its 21,000 employees except the chief executive, and its executive vice presidents. JIM RINEHART INSURANCE – SEASIDE, CALIF.:

I am a self-employed Insurance Agent for State Farm Insurance with 3 full time employees in my office in Seaside, CA.  Because of President’s  tax reform I gave all of my staff a pay raise starting Jan 1 2018. JOHNSON BANK – RACINE, WIS.:

Johnson Bank, the second-largest bank based in the state, committed to a minimum $15 hourly pay rate for employees.

JOHNSON & JOHNSON – NEW BRUNSWICK, N.J :

Johnson & Johnson will use the savings for new capital investments.

JONAH BANK – CHEYENNE, WYO.:

Jonah Bank has announced it will give each of its employees a thousand dollar bonus and “significantly increase” its giving in the Casper and Cheyenne communities as a result of Congress passing the tax reform bill, according to a press release. JONES AUTO & TOWING – RIVERVIEW, FLA.:

“The tax cuts are putting two more tow trucks on the road for my business. This will add two more full time job openings that will help two more families. And it will put a little more money in the bank for my family,” said Guy Jones, owner of Jones Auto & Towing. JORDAN WINERY – HEALDSBURG, CALIF.:

In response to the tax cut bill that passed this week, John Jordan, owner of Jordan Winery in Sonoma County, California, announces that he will give all eligible winery employees a $1,000 bonus as a result of the passage of the 2017 tax reform bill. JOSEPH’S LITE COOKIES – SEBASTIAN, FLA.:

Because of the tax bill, I’m purchasing new computer systems and creating new product packaging for international expansion. More importantly, I’m giving raises to four key employees — half of our workforce — which range from just over $3,000 to nearly $4,200. My top employees have earned greater financial security, and the Republican tax package made it a reality for them. JP MORGAN – NEW YORK, N.Y :

    Pay increases averaging 10% for 22,000 employees ranging from $15 -$18     Hire 4,000 new employees     Increase small business lending by $4 billion     Increase loans to customers seeking affordable homes by 25 percent to $50 billion.     Open up to 400 new branches in new cities     $750 bonus to eligible employees

KALB INDUSTRIES – LAS VEGAS, NEV.:

We received a tax cut from the bill that Congress passed last night and as part of our family, we would like to pass along some of that savings to you all. On your next payroll check, all employees that have been here more than three months will receive a raise on their next check. Again thank you all for all the hard work, and dedication this year. KANSAS CITY POWER – KANSAS CITY, MO.:

KCP&L announced its intention to file rate update cases with the Kansas Corporation Commission (KCC) and the Missouri Public Service Commission (MPSC) to pass approximately $100 million in annual tax savings to customers, resulting from federal tax cost reductions. The Tax Cuts and Jobs Act, which decreased the corporate tax rate from 35 percent to 21 percent, was signed into law on Dec. 22, 2017 and became effective on Jan. 1, 2018. KCP&L is committed to passing 100 percent of the benefit from this tax cut on to customers. KANSAS CITY SOUTHERN – KANSAS CITY, MO.:

Kansas City Southern (KCS) announced that in response to congressional passage of The Tax Cuts and Jobs Act of 2017, it will immediately share some of the benefits with qualified, non-executive employees of its subsidiaries in the U.S and Mexico in the form of a one-time $1,000 bonus payable by the end of 2017. KEG CREEK BREWING – GLENWOOD, IOWA:

Keg Creek is one of the roughly 80 local breweries cashing in on a tax break stemming from President Trump’s recently passed ***plan***, one that supporters say will allow craft breweries to grow.

It’s a small, albeit mighty, victory, brewing experts say: It rewards the neighborhood brewery by making it just a little bit easier to keep crafting the beer — brown and red ales, in Keg Creek’s case — that Iowans have grown to love. KEVIN-CHARLES FURNITURE – NEW ALBANY, MISS.:

The tax credits available for investment in equipment will make it possible for the company to purchase additional machinery. “We’re really excited about the tax bill and what it is going to do for our operation,” Rusty said. “I applaud the efforts of Congress to build back a business climate that makes it easier to invest in our people and facilities.”

Additionally, the tax savings made it easier for Kevin-Charles Furniture to give employees a five percent pay raise. KEY BANK – CLEVELAND, OHIO:

KeyBank N.A will increase its minimum wage to $15 per hour for new and existing employees. The lender will also make contributions to employees’ 401(k) retirement accounts. KEYCORP – CLEVELAND, OHIO:

Key will be sharing the expected tax benefits with its employees by increasing its minimum wage and making the additional retirement ***plan*** contribution referenced above. These actions will benefit over 80% of our workforce and allow us to reward and invest in the financial wellness of our employees KISH BANK – BELLEVILLE, PA.:

Kish Bancorp will give $500 to part-time employees and $1,000 bonuses to full-time employees as part of a one-time bonus.

The decision stems from the company’s growth and the enactment of the Tax Cuts and Jobs Act of 2017, which will provide relief to community banks.

KOCH COMPANIES INC. – MINNEAPOLIS, MINN.:

Koch Companies Inc is increasing drivers’ wages and increasing singing bonuses.

KOEHLER FLOORING – GREEN BAY, WIS.:

This family carpet and flooring company gave $1,000 bonuses to seven full-time employees. KRAFT HEINZ COMPANY – PITTSBURGH, PA.:

“Since the HR-1 Tax Cuts and Jobs Act was signed into law, we have already taken actions and are accelerating key business initiatives,” said Kraft Heinz CFO David Knopf. “This includes approximately $300 million in ***strategic*** investments to build our capabilities, our people skills and our brands; more than $800 million in capital expenditures to improve quality, safety and capacity; as well as $1.3 billion to pre-fund our post-retirement benefit ***plans***.” KRAMERICA PROPERTIES – MERCED, CALIF.:

This small family-owned company gave each of the six employees a $2,000 tax reform bonus. KROGER – CINCINNATI, OHIO:

Kroger Co. employees in Cincinnati and Dayton have approved on a new contract that increases the company’s starting wage to at least $10 an hour with an “accelerating rate progression” that boosts pay to $11 per hour after one year of service. LAKESTONE BANK – LAPEER, MICH.:

Bruce J. Cady, chairman and CEO of Lakestone Bank & Trust said, “We are very appreciative of all Lakestone Bank & Trust employees and certainly what they have accomplished over the years, particularly the last year; and we want to commemorate the passing of this historic, economy-stimulating tax reform law. This is a once in a lifetime opportunity and we know we want to reinvest much of the savings back into our bank and the first place we are going to put it is into the hands of our employees. Employees are our most important asset.”

All hourly employees received a $1 per hour raise and all salaried employees will receive a $1,000 bonus. The bank’s board of directors overwhelmingly supported this action, resulting in a significant investment into the bank’s employees. LAND & CO – WYOMING, MICH.:

Land & Co., which operates 19 apartment communities in West Michigan, announced it will give its employees a special bonus of up to $1,000 in response the federal tax cut legislation signed recently by President Donald Trump.

LARRY H. MILLER GROUP OF COMPANIES – SANDY, UTAH:

Larry H. Miller Group of Companies is giving 10,000 employees $1,000 bonuses.

LAWRENCE PAPER COMPANY – HUTCHINSON, KAN.:

Re-investing into its employees is the first step company owners took. This week, they surprised their 300 workers with the news each would receive a $500 bonus. LEAK SEALERS – LUMBERTON, TEXAS:

Female-owned engineering company Leak Sealers says it’s handing out bonuses to its 100 employees, joining major retailers like Lowe’s and Walmart Inc. that are investing in workers after Congress approved a tax cut that will help businesses. LG&E AND KU – LOUISVILLE, KY.:

Customers of Louisville Gas and Electric Company and Kentucky Utilities Company will begin to see the financial benefits associated with the Tax Cuts and Jobs Act beginning in March.

The two utilities announced today that they will file a unanimous settlement agreement with the Kentucky Public Service Commission requesting approval to return tax savings to customers this spring.

If approved by the commission, customers would see nearly $180 million in savings in the form of a reduction on the Environmental Surcharge line item on their bill in March, followed by a new line item credit on the bill based on energy consumption starting in April. LHC GROUP – LAFAYETTE, LA.:

Employees of LHC Group will receive better benefits, increased 401(k) contributions and matches LIDESTRI FOOD AND DRINK – ROCHESTER, N.Y :

The Rochester based ***producer*** of food, beverages and spirits gave all of their 1,200 employees at each of their five U.S facilities an extra full paycheck.

LIMA PALLET COMPANY – LIMA, OHIO

Lima Pallet Company is using the tax saving to give pay raises, create new jobs, and purchase new equipment.

LINCOLNWAY BANK – NEW LENOX, ILL.:

LincolnWay Community Bank announced ***plans*** to award a one-time $1,500 bonus to most of its employees. LOK-N-LOGS, INC. – SHERBURNE, N.Y :

Employees working for a year or more received a double paycheck; those working less than a year also received a bonus. LOUD & CLEAR COMMUNICATIONS – NEW YORK, N.Y :

    Employee bonuses

LOUISVILLE GAS AND ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY – LOUISVILLE, KY.

The utilities are passing tax savings to customers.

LOWE’S – MOORESVILLE, N.C :Lowe’s said it would pay a one-time bonus of $1,000 for more than 260,000 hourly U.S employees as the home improvement chain takes advantage of changes in the U.S tax code.

The company said it would also give new benefits, including additional paid maternity and parental leave and an adoption assistance benefit of up to $5,000 to qualified hourly full-time employees. MAINSOURCE FINANCIAL – GREENSBURG, IND.:

MainSource Financial Group will raise the starting pay and minimum hourly rate to $15 an hour effective immediately for all of its non-exempt, non-commissioned employees. This announcement comes as a result of the recently passed tax legislation, which includes a reduction in corporate tax rates.

Approximately 1,000 associates are employed throughout the MainSource footprint in Ohio, Indiana, Illinois and Kentucky. The pay increase will affect over 200 employees. MARRIOTT – BETHESDA, MD.:

Marriott International Inc. ***plans*** to put some of the cash it is saving on corporate taxes into employee retirement accounts, the company said Thursday. In all, Marriott will invest an additional $140 million in retirement savings and other ***programs*** for employees in 2018, according to CFO Leeny Oberg. M&T BANK– BUFFALO, NY.:

M&T Bank is boosting hourly wages among moves it’s making in a response to the successful passage of tax reform legislation.

Hourly paid employees will see pay starting at $14-16/hour, depending on geography. That will make a total investment of $25M.

In addition, all employees will get 40 hours of paid time a year to take part in volunteer or employee resource group activities. The company notes it paid $50M to its M&T Charitable Foundation in 2017, its largest ever contribution. MARSH & MCLENNAN – NEW YORK, N.Y :

Marsh & McLennan Cos, the world’s largest insurance brokerage, said it will increase its minimum wage to $16 per hour after the U.S cut its corporate tax rates. U.S colleagues earning $55,000 or less will get one-time $1,000 payment.

The wage hike will benefit about 780 employees, while about 5,000 employees will get the one-time bonus, according to a memo sent to employees. MASPETH FEDERAL SAVINGS – MASPETH, N.Y :

$1,000 bonuses for all full-time employees below the AVP officer level, $500 bonuses for all part-time employees; base wage raised to $15 per hour. MASS UTILITES – BOSTON, MASS.:

The Massachusetts Department of Public Utilities on Friday ordered electric, gas, and water companies to determine new rates, so consumer bills are adjusted to reflect the corporate tax cuts approved by Congress in December.

“This is a huge victory for ratepayers who deserve the benefit of this major tax break for utilities,” Massachusetts Attorney General Maura Healey said in a statement Friday. “We look forward to seeing these rates adjusted promptly and are glad that the Department correctly recognized its obligation to ensure that customers receive these savings.” MASTERCARD – PURCHASE, N.Y :

Mastercard Inc., Purchase, N.Y , is increasing the cap on the employer match in its 401(k) ***plan*** to 10% of an employee’s salary, a spokesman confirmed.

Previously, the company match was 125% of employee contributions up to 6% of salary. MB FINANCIAL – CHICAGO, ILL.:

MB Financial, Inc., the holding company for MB Financial Bank, N.A (“MB”), announced today that MB will raise the minimum wage paid to its employees, issue certain one-time bonuses, and donate $7.5 million to the disadvantaged communities in which it operates. MCCORMICK & CO. – SPARKS, MD.:

The spice-maker is offering $1,000 bonuses to eligible hourly employees and says it ***plans*** to “accelerate” wage increases, though it did not provide details. The Sparks, Maryland company will also us the tax cut to make investments, pay debt and benefit shareholders. MCDONALD’S – OAK BROOK, ILL.:

McDonald’s, citing the new U.S tax law and the tightening job market, is expanding its 3-year-old education benefits ***program***, tripling the amount of money some workers can get each year to help pay for college or trade school tuition.

The fast-food company is also changing its eligibility rules, which it said will double the amount of workers who qualify to 400,000, or about half the people who work at McDonald’s in the U.S

McDonald’s said Thursday restaurant crew members will be able to get up to $2,500 per year for tuition, an increase from $700. Managers can receive up to $3,000 per year, an increase from $1,050. MELALEUCA – IDAHO FALLS, IDAHO.:

Idaho health care and home products company Melaleuca Inc. announced it will be the latest major business to give its workers bonuses in response to President Donald Trump’s tax cuts.

Melaleuca CEO Frank VanderSloot said in a phone interview that his 2,000 workers will get a one-time bonus of $100 for every year they have worked at the company. On average, Melaleuca employees stay at the company eight years — which would result in an $800 bonus. The company also has 147 employees who have worked for VanderSloot for 20 years or more. MERCK – KENILWORTH, N.J :

***Plans*** to invest approximately $12 billion over 5 years in capital projects including approximately $8 billion in the United States     Made a contribution to the Merck Foundation in the fourth quarter of 2017     ***Plans*** to provide a one-time, long-term incentive award for its eligible non-executive employees in the second quarter of 2018”

MERIDIAN BANK –MALVERN, PA.:

    The minimum wage for all employees will increase to $15 per hour     An additional 20% will be added to the 2017 bonus as part of the Bank’s Incentive Compensation ***Plan*** that will be paid to the Bank’s 500+ employees in January 2018     An increase to the Capital Spending Budget as a result of ***plans*** to build six new branch locations in 2018     An increase in charitable giving by targeting $1 million in donations to community and non-profit organizations in 2018

METAIRIE BANK – METAIRIE, LA.:

Metairie Bank and Trust has approved a cash bonus of $1,000 for all of its 120 employees and will increase its hourly minimum wage to $12 per hour, the Jefferson Parish-based bank announced Friday.

Ron Samford, president and CEO of $390-million-asset Metairie Bank, said the recent enactment of President Trump’s tax reform bill provided “a substantial benefit to the bank, through significantly lower corporate income tax rates.” METLIFE – NEW YORK, N.Y :

MetLife Inc. said it is ***planning*** to increase its investment in employees using tax savings from the overhaul that was written into law in December. The life insurer said it will establish a minimum wage of $15 an hour and a minimum group life insurance benefit of $75,000, regardless of an employee’s pay. The benefit was previously set at one times annual pay. The company is ***planning*** to introduce a $300 minimum monthly credit for the cash-balance formula of its defined benefit pension ***plan***, also regardless of employee pay. It will enhance its 401-k ***plan*** by moving to auto-enrollment and extend company-paid group legal services offered through MetLife’s Hyatt Legal ***Plans***. MID-AM – ROGERSVILLE, MO.:

Mid-AM Metal Forming is giving its 140 employees cash bonuses.

The local company is one of many companies, like Jet Blue and AT&T, giving employees a bonus because of the tax law reform.

“Mid-AM Metal Forming is excited about the positive implications the tax reform package will have both on the manufacturing industry and its employees,” President Steve Johnson said in a news release. “We have very dedicated employees that assist in making us a success.  We are excited to surprise all of them with this reward.” MIDAMERICAN ENERGY – DES MOINES, IOWA

MidAmerican Energy estimated it it would return between $90.8 million and $112.3 million to electric customers. MIDDLEFIELD BANK – MIDDLEFIELD, OHIO:

The Board declared a special one-time cash dividend of $0.05 per common share that will be payable on March 15, 2018, to shareholders of record on February 28, 2018. The Board also approved a one-time bonus of $1,000 to each employee. MILL STEEL COMPANY – GRAND RAPIDS, MICH.:

Mill Steel Company said it will give a one-time $1,000 bonus to all 400 of its full-time employees, “following the tax cut passed by Congress and signed by President Donald Trump.” MINCEY MARBLE – GAINESVILLE, GA.:

Employees at Mincey Marble will receive bonuses of up to $1,000 depending on their length of service with the company. Even employees hired this year will see a bonus, and the checks are scheduled to arrive during the week of Valentine’s Day as a sign of the company’s appreciation for its associates.

Due in large part to their confidence in the Trump Administration’s pro-business agenda, Mincey Marble’s management team also made the decision in January 2017 to expand the size and operations of a new facility that is currently under construction in Gainesville. MISSION ***PRODUCE*** – OXNARD, CALIF.:

“We are giving all our U.S -based employees a $1,000 bonus,” President and CEO Steve Barnard said at a recent company meeting. “We applaud President Trump for spearheading the action needed to pass tax reform. The Tax Cuts and Jobs Act of 2017 created a meaningful impact on Mission’s business. We ***plan*** to invest the tax savings in new facilities and technology to create opportunities for the company and for our employees. It’s only fair that we share the benefits that tax reform will have on our business with our valued employees.” MOUNTAIRE – MILLSBORO, DEL.:

    $1,000 for all active full-time hourly and piece rate Mountaire employees with more than 180 days of employment as of January 27, 2018     $500 for all active full-time hourly and piece rate Mountaire employees with between 1-179 days of employment as of January 27, 2018

MUNCIE AVIATION – MUNCIE, IND.:

Muncie Aviation is giving bonuses to all of its employees.

MUSICNOTES – MADISON, WIS.:Musicnotes Inc., a publisher and retailer of digital sheet music, said that it has given all eligible employees a 3 percent raise in salary tied specifically to the corporate tax reform bill signed by President Donald Trump in December.

The company, which has 55 employees, said the raises were effective Jan. 1 and are in addition to Musicnotes’ existing annual pay increases. MUTUAL BANK – MUNCIE, IND.:

In the first quarter of 2018, MutualBank will distribute a $750 one-time payment for all full-time and part-time employees except for the Executive Management Team. Additionally, all non-exempt employees will receive a $0.50 increase in their hourly wage. NATIONAL AUTOMOTIVE CHEMICAL – CAMBRIDGE, OHIO:

    $1,000 bonus for all employees

NATIONAL BANK HOLDINGS CORP – GREENWOOD VILLAGE, COLO.:

National Bank Holdings Corporation announced its ***plan*** to deliver a $1,000 bonus to all of its non-commissioned associates who earn a base salary of less than $50,000 annually and are in good standing. This move is in part a response to the recently enacted tax legislation, which is anticipated to have a positive impact on the U.S economy. NATIONAL GRID – WALTHAM, MASS.:

When federal tax reform legislation was signed into law in late December, the company began assessing how reductions in corporate tax rates could benefit customers. The company announced today it will update its rate proposal with the DPU for natural gas rates that will go into effect in October 2018: reducing the original $87 million request to an estimated $51 million.

“We are committed to ensuring that the tax savings of the legislation are fully realized and are used to help our customers in their energy bills,” said Cordi O’Hara, president and COO of National Grid in Massachusetts. “We’ll continue to seek opportunities to provide this benefit to all of our customers.” NATIONAL GRID RHODE ISLAND – PROVIDENCE, R.I :

National Grid Rhode Island announced that it is reducing its electric and gas base distribution rate proposal with the Rhode Island Public Utilities Commission (RIPUC) by more than $25 million.  Last November, National Grid had put forth its first proposal since 2012 asking the RIPUC to adjust its base distribution rates for both gas and electric customers. Since that time, National Grid has been assessing how the newly passed federal tax reform legislation that was signed into law in late December could benefit our customers. NATIONWIDE: – COLUMBUS, OHIO:

Nationwide Mutual Insurance Co. is joining a number of major financial institutions in giving bonuses to employees following the tax reform passed by Congress right before Christmas.

The Columbus-based insurer announced Wednesday that it’s giving a $1,000 discretionary bonus to employees and managers below the company’s senior ranks, and starting this year will increase its 401(k) match for employees to 50 percent on the first 7 percent of an employee’s contribution, up from 6 percent.

About 29,000 of the company’s 33,000 employees nationwide will get a bonus, while all of its workforce will benefit from the 401(k) match. NAVIENT – WILMINGTON, DEL.:

Crediting the new corporate tax rate recently approved by Congress, approximately 98 percent of Navient employees across the country received a $1,000 bonus just before the holidays.

Navient has approximately 6,700 employees nationwide, including more than 900 in Hanover Township, company officials say. NBT BANK – NORWICH, N.Y :

    Base wage raised to $11 to $15 per hour     minimum 5% salary increases for employees making less than $50,000     increased capital expenditures

NELNET – LINCOLN, NEB.:

Nelnet said Thursday that it will give nearly all of its 4,100 employees — about 2,500 of whom work in Lincoln — a $1,000 bonus in their Dec. 29 paycheck. NEPHRON – WEST COLUMBIA, S.C :

Nephron Pharmaceuticals announced Wednesday the company’s 640 South Carolina employees are receiving a five percent pay raise, attributing the move to the tax bill passed by Congress this month. NEW HUDSON FAÇADES – LINWOOD, PA.:

“We raised wages, yes,” said Allen Cohen, managing partner of New Hudson Facades, of the approximate 5 percent raise given to employees. “In addition to that, Related Companies [a partner company] has given every factory employee, $3,000 in their 401(k).”

NEW JERSEY NATURAL GAS – WALL, N.J :

The utility will pass tax reform savings to customers.

NEW LIBERTY DISTILLERY – PHILADELPHIA, PA.:

    “Little wins for us are great things,” says Robert Cassell, the owner of New Liberty Distillery in Philadelphia. “And this is a big win.”

NEXTAR MEDIA GROUP – IRVING, TEXAS:

A one-time special bonus will be issued to all employees actively employed by the Company as of March 1, 2018. The amount of the bonus is $500 for full-time employees and $250 for part-time employees. Bonuses will be paid in the first pay period of March and will be subject to applicable taxes.

Employees ranked at the Vice President level or above are not eligible for the bonus.

Effective April 1, 2018, the Company match for 401k contributions will be increased from 25% to 50% of the first 6% of contributions. — Jan. 17, 2018 note to Nexstar employees NEXTIER BANK – BUTLER, PA.:

NexTier Bank announced an investment in its workforce with a one-time bonus of $1,000 for all employees as a result of the tax reform bill passed by the U.S Congress and signed by President Trump. This is in addition to annual bonuses paid in late 2017.

NEXUS SERVICES, INC. – VERONA, VA.:

Nexus Services, Inc. is giving a 5% raise for all employees and 200 more workers will be hired in 2018.

NOAH BANK – ELKINS PARK, PA.:

Board of Directors has elected to provide all employees with a one-time $1,500 cash bonus thanks to the passage of new tax legislation. NORTH SHORE BANK – BROOKFIELD, WIS.:

Brookfield-based North Shore Bank gave $500 bonuses to employees in late December. NORTHCO PRODUCTS, INC. – ALBANY, N.Y :

This small business was able to hire one new employee, give all employees bonuses ranging from $100 – $971 after taxes; the company is also investing in a new building. NORTHEAST VAPOR SUPPLIES – OLD SAYBROOK, CONN.:

Northeast Vapor Supplies decided to “pay it forward” and is happy to announce that all 5 of its employees received a bonus, from $50 to $300 due to the passage of the Tax Reform Act! NORTHERN INDIANA PUBLIC SERVICE COMPANY – MERRILLVILLE, IND.:

As a result of the newly enacted federal tax reform, NIPSCO submitted a request with the Indiana Utility Regulatory Commission (IURC) to lower its previous request to modify natural gas base rates by $26 million.

The reduction means natural gas residential customers would pay nearly $2 less per month following the Commissions’ decision in the company’s natural gas rate proposal, which is expected in the second half of 2018. The average natural gas residential customer paying $50 per month is projected to see their bill go to $58.10 per month, subject to IURC approval, rather than $59.80 as originally proposed. NORTHWESTERN ENERGY – SIOUX FALLS, S.D :

“At this point, we are trying to figure how much the savings might be and develop a ***plan*** for what the best option might be for customers,” said spokesman Butch Larcombe. OCEANFIRST – TOMS RIVER, N.J :

OceanFirst Bank raises minimum wage to $15 an hour after tax reform. OHNWARD BUSINESS – MAQUOKETA, IOWA:

As a result of the passage of the tax relief bill this week, Ohnward Bancshares has announced it will pay a $1,000 tax relief, holiday bonus to every company employee. This bonus is separate, and, in addition to, normal bonuses received based on company performance. “There has been a lot of debate about what a tax cut will do for the nation’s economy. This sweeping tax reform will create economic growth in our communities, but only if the expense savings are shared” OKLAHOMA CORPORATION COMMISSION – OKLAHOMA CITY, OKLA.:

Most Oklahomans can expect to start seeing a lower utility bill in the mail later this year. The Oklahoma Corporation Commission voted Tuesday to transfer about $150 million a year in new corporate tax cuts to the customer.

Power and gas corporations across the state started seeing lower tax rates Jan. 1, so one commissioner wants your bill to be lowered immediately. The other two commissioners disagreed and won the vote.

OKLAHOMA GAS AND ELECTRIC COMPANY – OKLAHOMA CITY, OKLA.:

The utility will pass along tax savings to customers.

OLD DOMINION FREIGHT LINE – THOMASVILLE, N.C :

$500 bonuses for all 22,000 employees

“I am excited to share a bit of good holiday cheer with you today. The President has signed a historic tax reform bill that should reduce OD’s taxes and also generate growth for the U.S economy. We expect that the anticipated improvement in the economy will create additional opportunities for use to WIN market share and grow our Company more than originally anticipated. As we have said many times before, however, our ability to successfully grow the Company is centered on each member of the OD Family performing at his or her very best to deliver SUPERIOR SERVICE to our customers!

OMAHA TRACK – OMAHA, NEB.:

Omaha Track is giving employees a $500 bonus.

ONCOR – DALLAS, TEXAS:

“Oncor will work with the PUCT to determine the best way to distribute those savings back to customers,” said spokesman Geoff Bailey via email. “In short, we are capturing these tax savings for future refunds to our customers.

Oncor serves about 3.4 million homes and businesses, mostly in North Texas and West Texas. So residents in the coverage area would get a refund but when, and how much, are not certain. ONEMAIN FINANCIAL – EVANSVILLE, IND.:

OneMain Financial announced ***plans*** to increase its base salary for all hourly associates to a minimum $14 per hour.

Eligible workers will receive a one-time cash bonus of up to $600 as recognition of their contribution to the company’s accomplishments in 2017.

OneMain has more than 10,000 employees at branches across 44 states. The company’s news release credited the new federal government tax legislation with the wage increase. OVERSEAS HARDWOOD – STOCKTON, ALA.:

All non-management employees received a $1,000 bonus, and the company also announced ***plans*** to expand their business operation. PACIFIC POWER – PORTLAND, ORE.:

The new Republican tax ***plan*** has brought a variety of tax cuts. Pacific Power says they are committed to passing the benefit of this tax cut on to customers.

“We strive to provide our customers reliable service while keeping rates low,” said Stefan Bird, President and CEO of Pacific Power. “The benefit of this tax cut should be passed on to our customers – and we will work with our regulators and stakeholders on the best way to do that.” PATTISON SAND COMPANY – CLAYTON, IOWA:

We gave every employee a $600 cash (in $2 bills) bonus and we raised base pay by $1.50-2.50 an hour. And yes we are growing, adding staff and buying more equipment. We thought you should know. Pattison Sand – A Great Place to Work!

PAYCHEX, INC. – ROCHESTER, N.Y :

Paychex Inc. is using tax savings for increased investments; acceleration of technology projects; and increased investments in employees.

PAYNE TRUCKING – FREDERICKSBURG, VA.:

“We were so pleased with the tax relief that we got that we had to share it,” said Danny Payne, head of Payne Trucking Co. “There were tremendous savings in tax relief.”

Employees at the company’s locations in Massaponax and Dundalk, Md., who’ve worked for Payne at least six months received an extra $250 in their paycheck Jan. 26. Those who’ve worked there for at least a year got $500 and those who’ve been there at least five years got $750. Senior management and part-timers weren’t eligible. PC CONNECTION – MERRIMACK, N.H :

PC Connection, Inc., a leading technology solutions provider to business, government, and education markets, today announced that it will pay a $1,000 cash bonus to each employee in consideration of their efforts for the year ended December 31, 2017. PENSKE AUTOMOTIVE GROUP – BLOOMFIELD HILLS, MICH.:

Penske Automotive Group, an international transportation services company, announced that it has enhanced the company’s U.S 401(k) savings ***plan*** by increasing company matching contributions from 1.5% to 2.5% of eligible contributions, representing an increase of 67%.  The increase will provide a recurring, annual benefit to our employees.

“The recently enacted tax reform positively impacts our business, presenting us with even greater opportunities to pursue our ***strategic*** initiatives, invest in our employees and improve shareholder value,” said Penske Automotive Group Chairman Roger S. Penske. PEOPLES BANK – BELLINGHAM, WASH.:

$15 per hour minimum wage and raised its 401(k) match one percentage point to 8 percent. PEOPLES BANK – MAGNOLIA, ARK.:

    Magnolia, Ark.-based Peoples Bank provided a $500 bonus and contributed $50,000 to its charitable fund.

PEPCO – WASHINGTON, D.C :

Pepco announced they will file with the Public Service Commission of the District of Columbia in early February, outlining ***plans*** to provide annual tax savings to more than 296,000 electric customers in the District of Columbia. If approved, Pepco would ***plan*** to begin providing a credit lowering customer bills starting in the first quarter of 2018.

The tax savings are the result of federal tax reductions under the new Tax Cuts and Jobs Act, which was signed into law on Dec. 22, 2017, and became effective on Jan. 1, 2018. The decrease in the Corporate Tax Rate from 35 percent to 21 percent reduces the amount of federal income tax Pepco will have to pay. PEPSICO – PURCHASE, N.Y :

“The provisions of recently enacted tax legislation are expected to result in lower income taxes in 2018 for our operations in the United States, our largest market We expect the benefits of the TCJ Act will enable us to further strengthen our business by enhancing the skills of our front line associates to ready them for the future…” said PepsiCo Chief Executive Indra Nooyi in a statement. Select workers will get $1,000 bonuses. PFIZER – NEW YORK, N.Y :

In wake of the new tax law, the company ***plans*** to invest approximately $5 billion in capital projects in the U.S , including building its manufacturing presence. It ***plans*** to contribute $500 million to its U.S pension ***plan*** and has allocated about $100 million for a special, one-time bonus for all nonexecutive employees in the first quarter of 2018.

Pfizer also contributed $200 million to the Pfizer Foundation. PILGRIM PANK – COHASSET, MASS.:

Base wage raised to $15 per hour; additional 401(k) contributions; increased charitable donations. PINNACLE – ELKHORN, NEB.:

Pinnacle Bank said 1,007 employees will receive the $1,000 bonuses.

“We feel strongly that the message should be loud and clear that this is a tax cut that will benefit all Americans,” Pinnacle Bancorp Chairman Sid Dinsdale said in a news release. PIONEER CREDIT RECOVERY – NEW YORK, N.Y :

Passage of the tax reform bill means that Pioneer Credit Recovery employees will get bonus payments of $1,000 each. PITNEY BOWES – STAMFORD, CONN.:

Pitney Bowes, a global technology company that provides innovative products and solutions to power commerce, announced that, with the signing of the Tax Cuts and Jobs Act in December 2017, the Company will make an investment commitment of more than $18 million on an annualized basis to raise wages of the majority of its U.S hourly employees. In addition, Pitney Bowes ***plans*** to fund key investment areas within the Company to provide more value to its small and medium business clients. PLEXUX CORP – NEENAH, WIS.:

“In order to reward employees for their contributions towards Plexus’ success, Plexus will provide existing, full-time, non-executive employees a one-time cash bonus.  This bonus will be provided in the fiscal second quarter to nearly 16,000 employees, totaling approximately $13 million.” PNC BANK – PITTSBURGH, PA.:

PNC announced it will provide an additional $1000 cash payment to 47,500 employees and $1,500 to their existing pension accounts.

The cash payment to 47,500 employees was estimated to reach 90% of PNC employees. It is set for all employees below an unspecified compensation band.

PNC Financial Services said they will raise the minimum pay rate to $15-an-hour by the end of 2018.

A $200-million-dollar contribution to the PNC Foundation was also announced. It supports early childhood education through PNC’s Grow Up Great initiative. PODCASTONE – BEVERLY HILLS, CALIF.:

PodcastOne Founder and Executive Chairman Norman Pattiz announced today that the podcast company will award all full-time employees a $1,000 cash bonus.

POTTLE’S TRANSPORTATION – HERMON, MAINE:

Pottle’s Transportation is using the savings to invest in new equipment.

PREMERA – FAIRBANKS, ALASKA:

Premera Blue Cross Blue Shield of Alaska, the state’s only private insurance provider, announced a $50 million tax refund, which the company ***plans*** to funnel back into the state’s health care market over the next five years.

Premera also expects to return approximately $1.5 million in taxes charged to large group customers in 2018.

PRIMROSE SCHOOL OF SOUTH TAMPA – TAMPA, FLA.:

Primrose School of South Tampa is using the savings to increase salaries and invest in playground upgrades, educational hardware and software, and upgraded classroom flooring.

PRIORITY COURIER EXPERTS– ST. PAUL, MINN.:

Tax reform bonuses were given on Jan. 2, 2018 to employees; further, employees will receive another $500 bonus in 2018 on the anniversary of their hire date. PROSPECTOR HOTEL – ELY, NEV.:

$500 bonuses and increase base wage to $12 per hour. PROTECTIVE LIFE – BIRMINGHAM, ALA.:

The Birmingham-based company is giving a special $1000 bonus to about 75 percent of its employees. Protective Life is also establishing a minimum wage across its employee base of $15 per hour.

PUBLIC SERVICE COMPANY OF NEW MEXICO – ALBUQUERQUE, N.M :

The utility will pass tax reform savings to customers.

QUAD/GRAPHICS – SUSSEX, WIS.:

Wisconsin-based printing company Quad/Graphics announced this week it would return $22 million to its employees in the form of stock.

The $22 million will be contributed to Quad/Graphics workers’ retirement accounts. President and CEO Joel Quadracci says the gesture was made possible by recent tax reform legislation. QUAKE MANUFACTURING – FORT WAYNE, IND.:

$1,000 bonuses, enhanced insurance benefits, gym memberships.

QUAIL CREEK BANK – OKLAHOMA CITY, OKLA.:

Quail Creek Bank is giving employees bonuses of $2,000 or $1,000 and increasing 401(k) contributions.

QUEST DIAGNOSTICS – SECAUCUS, N.J :

In 2018 the company expects to realize approximately $180 million in tax savings on an adjusted basis.  Of this amount, the company ***plans*** to reinvest roughly $75 million before tax back into the business and its employees, resulting in a benefit of approximately $120 million to net earnings.  Investment initiatives include:

    Advanced diagnostics innovation through new tests and high-touch concierge services;     Investments to deliver a consistently excellent consumer experience both online through the MyQuest mobile patient application and patient service centers; and     A bonus of up to $500 for nearly 40,000 employees to be paid based on the company’s performance in 2018.

R & L CARRIERS – WILMINGTON, OHIO:

Wilmington-based global transportation company R+L Carriers announced that it would be issuing bonuses of up to $1,000 for all of its employees, citing the economic benefits from the Tax Cuts and Jobs Act. RDR, INC. – CENTREVILLE, VA.:

RDR, Inc. A professional services firm headquartered in Centreville, Virginia with a Branch office in Southern Pines, North Carolina and individual employees nationwide is announcing that it will be paying bonuses to each of its 125 employees as a result of anticipated 2018 tax savings from the recently passed Tax Cuts and Jobs act of 2017. REGIONS FINANCIAL – BIRMINGHAM, ALA.:

Regions Financial increases minimum wage to $15 per hour, contributes $40 million to benefit communities, and increases capital investments to serve customers.

RENAISSANCE GLOBAL LOGISTICS – DETROIT, MICH.:

Renaissance Global Logistics is giving employees bonuses with the tax savings.

REYNOLDS AMERICAN INCORPORATED – WINSTON-SALEM, N.C :

Reynolds American Inc. said that most of its 5,500 employees will benefit from a one-time $1,000 bonus related to the federal corporate tax rate cut.

Reynolds spokesman David Howard said the bonus will be paid to “all regular, full-time hourly and salaried employees of RAI and its subsidiaries, up to and including the level of senior manager.”

This amounts to 4,500 employees. RGF ENVIRONMENTAL GROUP – RIVIERA BEACH, FLA.:

“We, as a privately held manufacturing firm in Riviera Beach, Florida, will benefit greatly from the Tax Reform act recently passed. Because of this savings, we have given all our employees a $1,000 Bonus (This is in addition to their 2017 year-end bonuses. – Sharon B. Rinehimer, Executive Vice President/General Counsel, RGF Environmental Group, Inc. RIO BANK – MCALLEN, TEXAS:

    $1,000 bonuses for each of the 108 employees

ROBERT BAIRD & COMPANY – MILWAUKEE, WIS.:

“Milwaukee’s Robert W. Baird & Co. said it will pay cash bonuses of $500 to $1,500 to employees, joining the list of Wisconsin companies passing along some of the benefits of federal tax reform to their workers.

All full-time and part-time benefit-eligible employees of the financial services firm — except company leaders — will receive a $1,500 one-time cash bonus. Other part-time associates and long-term interns will receive a bonus of $500, Baird said.

Baird leaders will receive the benefit in the form of a $1,500 donation to the charity of their choice, which could amount to an additional $1.2 million being contributed to the community in 2018, the company said.

The one-time benefit will be awarded to Baird’s more than 3,500 global employees and amounts to more than $5 million.” ROCKY MOUNTAIN POWER – SALT LAKE CITY, UTAH:

Rocky Mountain Power says it ***plans*** to pass some of its federal tax savings on to customers. But, the company isn’t sure how much or when.

“We strive to provide our customers reliable service while keeping rates low,” said Cindy Crane, President and CEO of Rocky Mountain Power. “The benefit of this tax cut should be passed on to our customers — and we will work with our regulators and stakeholders on the best way to do that.” ROD’S HARVEST FOODS – ST. IGNATIOUS, MONT.:

Rod’s Harvest Foods of St. Ignatius, Montana,” is giving pay raises and bonuses up to $500. Chief Rod Arlint told workers, “We are happy to share with our employees the anticipated tax saving for 2018 realized by the tax reform bill recently passed by the U.S Congress and signed by President Trump. We are excited about the benefits it will provide for our country’s economy, our store, and our employees. As a result of the tax savings expected in 2018, we will be passing this savings on to our employees. We will be raising wages 3-5 percent and entry wage to $11 an hour (non-student). Also, please accept this bonus as a gesture of appreciation for your hard work and loyalty to Rod’s Harvest Foods. You are our most valuable resource!”

ROYAL BANKS OF MISSOURI – SAINT LOUIS, MO.:

Royal Banks of Missouri gave full-time employees $1,000 bonuses and part-time employees $500 bonuses.

ROYAL HAWAIIAN HERITAGE JEWELRY – HONOLULU, HAWAII:

Royal Hawaiian Heritage Jewelry ***plans*** to open up three more shops – in Honolulu, in Kauai and Maui in addition to its existing three shops. RUSH ENTERPRISES – NEW BRAUNFELS, TEXAS.

Rush Enterprises, Inc., which operates the largest network of commercial vehicle dealerships in North America, today announced that as a result of recent tax reform legislation, it will provide a one-time $1,000 gift to its approximately 6,600 employees in the United States. RUSSELL LANDS – ALEXANDER CITY, ALA.:

Russell Lands, the largest lakeside residential developer in the state, has given full-time employees a $500 check.

“We are thrilled that our company is strong, the economy is good, and that our national leaders recently approved a tax ***plan*** that should be very positive for all of us,” said Chairman Ben Russell. “This is a token of the company’s, and my personal, genuine appreciation for what our folks have done to make Russell Lands such a great company. It’s because of our employees’ efforts that we have been able to accomplish so much.” RYDER SYSTEM – MIAMI, FLA.:

In connection with the anticipated benefit of the Tax Act, the Company awarded a one-time cash bonus, estimated to be approximately $23 million or $0.27 per diluted share, to all non-incentive bonus eligible employees of the Company employed on December 31, 2017. The bonus will be paid to eligible employees in February 2018. The bonus will be excluded from the Company’s comparable earnings from continuing operations (non-GAAP) reported in the Company’s fourth quarter earnings release scheduled for February 16, 2018.

Ryder has 31,300 employees in North America. Ryder manages 234,100 vehicles, has 44 million square feet of warehouse space, has 7,700 drivers, 5,900 technicians, and 800 maintenance facilities. SABAN CAPITAL GROUP – LOS ANGELES, CALIF.:

    $1,000 bonuses to employees

SAIL LOFT – DARTMOUTH, MASS.:

Each full-time employee received a one-time cash bonus of $500, and each qualifying part-time employee received $200. SCHEELS ALL SPORTS – FARGO, N.D :

SCHEELS is about our PEOPLE and the communities in which we live and work. As we enter 2018, the new tax reform bill offers a huge opportunity for American business and notably our employee-owned company. This new bill allows SCHEELS to:

    Invest in new stores     Create jobs in new and existing markets     Increase our charitable impact in our communities     $1,000 bonus for Scheels associates working >1000 hours     $500 bonus for Scheels associates working 500 hours

SEWICKLEY SPA – SEWICKLEY, PA.:

For the past decade, Sewickley Spa’s 13 employees didn’t receive annual raises.

With economic pressures forcing cuts at the business since the Great Recession of 2007-09, owner Dorothy Andreas said she couldn’t afford pay hikes — though she still managed to provide a bonus every Christmas.

But on Dec. 20 — the day Congress gave final approval to the Tax Cuts and Jobs Act — Ms. Andreas decided to “pull the trigger” on raises of 2 percent to 5 percent and bonuses that averaged 2.5 percent. SHEELY – NORTH LIMA, OHIO:

Over 140 employees for a local furniture store will feel their wallets get a lot bigger.

Sheely’s Furniture and Appliance President and CEO, Dale Sheely Jr. announced the bonuses Tuesday morning.

The cause — tax reform, a growing retail footprint, and creating a better working environment for employees.

The bonuses will be given throughout the first quarter of 2018. Full-time employees will receive $1,000 in cash and part-time employees will get $500. SHEFFER CORPORATION – CINCINNATI, OHIO:

Sheffer Corporation in Cincinnati, a small manufacturing business announced it was investing in new plant and equipment and giving $1,000 bonuses to all 126 of its employees as a result of this law. SHOPRITE – WILMINGTON, DEL.:

Delaware Supermarkets Inc. is handing out $150 bonuses to 1,000 non-management and union-represented employees as a result of the recent tax reform bill being signed into law. The bonus is in addition to holiday and performance bonuses. SHRED-X – GRIFFIN, GA.:

In Griffin, Shred-X, a small business providing paper shredding and recycling services to over 3,000 clients throughout Atlanta and central Georgia, ***plans*** to use the additional savings from tax reform to buy a new truck and potentially hire a new employee. For a company of ten people, that makes a huge difference. SINCLAIR BROADCAST – HUNT VALLEY, MD.:

    Sinclair Broadcast will pay a one-time $1,000 bonus to full and part-time employees.     The company says the special bonus is due to the tax reform bill’s passing.     It will go to nearly 9,000 employees and excludes senior level executives.

SKYWEST AIRLINES – ST. GEORGE, UTAH:

SkyWest Airlines is sharing the benefits of federal tax reform with its employees.

According to an internal memo the company will increase 401(k) contributions, increase capital expenditures, and increase charitable donations, and will enhance the existing bonus and incentive ***programs***. SMUCKER’S – ORRVILLE, OHIO:

J.M Smucker Co. is pouring sugar on thousands of employees in the form of $1,000 bonuses.

The Orrville food company announced the employee bonuses as part of its third quarter earnings report released Friday morning.

Corporate earnings were significantly higher than a year ago in large part because of federal tax reform that lowered corporate tax rates. Smucker also increased its earnings outlook for the year.

The company said it is giving $1,000 one-time bonuses to nearly 5,000 employees, will make $1 million in charitable contributions, and will contribute an additional $20 million to its employee pension ***plan*** because of federal tax reform.

SOLARA HOSPITALITY – COLUMBIA, S.C :

Solara Hospitality is giving employees cash bonuses up to $500.

SOMERSET SAVINGS BANK – BOUND BROOK, N.J :

Somerset Savings Bank announced today that, following the enactment of the new federal tax reform legislation, it will distribute a special cash bonus to its employees.  Every employee, excluding senior management, will receive a one-time $750 bonus. SOUND FINANCIAL BANK – SEATTLE, WASH.:

Increasing employee incentive compensation, expanding charitable giving, and implementing a down payment assistance ***program*** for first time homebuyers. SOUTH POINT – LAS VEGAS:

The South Point has joined the list of businesses handing out bonuses after passage of the Trump administration’s tax reform bill.

The casino released a statement saying it was giving more than $1 million in bonuses for 2017 to its employees, doubling the amount of bonuses for 2016.

The company also said it would be rescinding a scheduled increase in the share of health insurance costs paid by employees. SOUTH STATE BANK – COLUMBIA, S.C :

South State will distribute $1,000 to full-time employees and $500 to part-time employees on Feb. 9 and will benefit more than 2,800 South State employees.

SOUTHWIRE – CARROLLTON, GA.:

Southwire is giving $1,000 bonuses to full-time employees, $250 bonuses to part-time employees; expanding parental leave benefits; increasing educational scholarships for employees; and spending on workplace investments totaling $9 million.

SOUTHWEST AIRLINES – DALLAS, TEXAS:

The Southwest Board of Directors authorized a bonus to all Southwest Airlines employees to celebrate the recent passage of the tax reform legislation. All full-time and part-time Southwest employees with Southwest on Dec. 31, 2017, will receive a $1,000 cash bonus on Jan. 8, 2018. SPARTANNASH – BYRON CENTER, MICH.:

David Staples, the CEO of SpartanNash, said in a conference call to investors yesterday the company will issue bonuses, raise wages and invest in employee training in the first quarter of 2018. SPECTRUM ADHESIVES – MEMPHIS, TENN.:

    $500 bonuses for employees.

SPELLEX CORPORATION – TAMPA, FLA.:

“I’m the founder and CEO of Spellex Corporation located in Tampa, FL. We’re a software development company which I founded in 1988. This is the first time I’ve done anything like this. I’m hoping there are thousands of companies like mine who gave their employees $1,000 bonuses to show our support for the new tax ***plan*** which will ultimately help the middle class.” – Sheldon Wolf SPEEDWELL TAVERN – PLYMOUTH, MASS.:

$500 bonuses for full-time employees; $200 bonuses for part-time employees. Together with affiliated restaurants The Gateway Tavern, The Stowaway, Sail Loft, and Speedwell Tavern, the bonuses went to 93 employees.

SPIRE INC. – ST. LOUIS, MO.:

The utility will pass tax reform savings to customers.

SPORT CLIPS FRANCHISES – PA.:

Using the resources that I will be saving and the opportunities the franchise business model provides, I now have the momentum and capital to open 12 new Sport Clips locations around Pennsylvania. And with an average of 10 employees per location, that means 120 new well-paid, stable jobs. And I can assure you that I am not the only franchise owner taking steps to improve our communities. SPROUTS – PHOENIX, ARIZ.:

The company also said it ***plans*** to use about one third of the savings from the recently-passed tax reform for “investments” in employees.

“To ensure we remain in a leadership position to attract the right talent, we will further invest in our team members by improving pay and improved benefits such as healthcare and expanding maternity leave,” Maredia said. “We will invest an additional $10 million, or approximately one-third of our tax savings, for our team members in 2018.” ST. JOHN PROPERTIES – BALTIMORE, MD.:

Baltimore-based developer St. John Properties Inc. will give each of its 180 employees a one-time cash bonus of $1,500 in response to the Republican tax overhaul passed in December. STAFFORD BOUNCE N PLAY – STAFFORD, VA.:

“SBnP, LLC is a Virginia Small, Women-owned and Minority-owned (SWaM) Business. SBNP LLC is a Pass-through business. The Tax Cuts and Jobs Act gives pass-through businesses like ours an additional 20% deduction from our income. Thanks President Trump!” – Nicholas and Nadia Bluma, Stafford Bounce n Play, LLC STARBUCKS – SEATLLE, WASH.:

Starbucks Corp will use some of the savings from the new U.S corporate tax cuts to give domestic employees pay raises, company stock and expanded benefits with a combined worth of more than $250 million, the company said. STATE STREET – BOSTON, MASS.:

    Enhanced employee retirement benefits and investment in training and community grant ***programs***.

STAUB MANUFACTURING – DAYTON, OHIO:

Since Trump took office, Staub says his business has flourished as a result of his presidency. They’ve grown their team from 23 to 37 employees.

After Trump’s tax cuts and reform legislation were enacted last year, Staub says he was able to give larger than expected Christmas bonuses to his employees. STERIS – DERBY, U.K :

Like many companies, the recent tax reform in the U.S will result in significant additional earnings for STERIS to strategically grow our business and return value to Customers, employees and shareholders.  One of our first actions on that front will be a one-time special discretionary bonus of $1,000 to all U.S employees other than senior executives. STIFEL FINANCIAL CORP. – ST. LOUIS, MO.:

Stifel Financial Corp. Chief Executive Ron Kruszewski played Santa Claus two days before Christmas, telling most of the financial company’s approximately 7,000 salaried employees that they will receive an extra $1,500 bonus funded by expected benefits from the new tax law. THE STOWAWAY – MATTAPOISETT, MASS:SPE

$500 bonuses for full-time employees; $200 bonuses for part-time employees. Together with affiliated restaurants The Gateway Tavern, The Stowaway, Sail Loft, and Speedwell Tavern, the bonuses went to 93 employees. SUIT-KOTE – CORTLAND, N.Y :

President and CEO Frank Suits Jr. announced the wage hikes to media alongside U.S Rep. Claudia Tenney.

The average raise, Suits said, will be about $1,400. The company also increased its 401K contributions by about $1 million. SUMMIT STATE BANK – SANTA ROSA, CALIF.:

Summit State Bank announced its ***plan*** to give $2,000 to each of its non-executive employees in January 2018 as a windfall derived from the Trump Administration’s tax-law revamp signed by the president on Dec. 22.

Part of the tax-reform legislation will reduce corporate taxation from 35 percent to 20 percent. SUN COMMUNITY NEWS – ELIZABETHTOWN, N.Y :

Raises for all employees averaging $1,000 each; restoration of 2% match on employee IRAs; software and equipment upgrades. SUN SOLAR – SPRINGFIELD, MO.:

A local company ***plans*** to expand and it says the Trump tax cuts are the reason.

Sun Solar ***plans*** to add about 30 jobs through an expansion ***plan***.

The company installs solar panels on homes to help customers cut utility bills.

Sun Solar says it will invest about $1 million into hiring the 30 local employees.

The company also ***plans*** to invest about $300,000 to grow business in the Kansas City market. SUN TRUST – ATLANTA, GA.:

    $50 million in additional community grants to national and local financial well-being efforts     Minimum wage increase to $15 per hour     Merit base pay increases for certain other hourly teammates (about 20 percent of workforce)     A one percent 401(k) contribution to retirement savings for all teammates, in addition to the company’s six percent match opportunity     $1,000 financial incentive for all teammates that complete the SunTrust Momentum onUp financial fitness ***program***.

SUNDANCE VACATIONS – WILKES-BARRE, PA.:

Sundance Vacations announced a decision to award bonuses to its employees based on the GOP tax reform bill that was recently signed into law by President Trump… The Sundance bonuses will total over $125,000. Hundreds of other companies are also issuing bonuses nationwide which Dowd believes will inject more spending into the US economy. SUSSEX WIRE INC. – EASTERN, PA.:

A reduction in the federal corporate tax rate from 35 percent to 21 percent enables Sussex Wire to invest in more workers and technology. The second is the ability to take full depreciation of capital equipment investments in the first five years.

“Those two benefits in the law are a home run for a company like Sussex Wire,” Kardish said.

He said the company had ***planned*** to hire five new employees within the next year with or without the legislation, but the law allows the company to do it faster. SUTTER MASONRY – EL MIRAGE, ARIZ.:

The company employs approximately 100 people. Hourly wages were increased by $1.00 and over $50,000 in bonuses were distributed SYNOVUS FINANCIAL – COLUMBUS, GA.:

    Synovus Financial Corporation in Columbus, Ga., said it would give a $1,000 bonus to all full-time and part-time non-executive employees.

TACO JOHN’S – CHEYENNE, YW.:

Taco John’s International, Inc. announced today that in response to the 2018 Tax Cut and Jobs Act, the company gave part of its projected tax savings to its restaurant crews, general managers, corporate staff and CORE (Children of Restaurant Employees).

On Friday, Feb. 23, Taco John’s International, Inc.’s employees received a one-time bonus, as follows:

    Every restaurant crew member – full-time and part-time – received $200 (after taxes);     General managers and employees at the Taco John’s Franchisee Support Center in Cheyenne received $1,000 each; and,     The Executive Council of Taco John’s International, Inc. (Vice Presidents and above) donated their $1,000 bonuses (a total of $10,000) to CORE, a national not-for-profit organization that grants support to children of food and beverage service employees who are navigating life-altering circumstances.

TCF FINANCIAL – WAYZATA, MINN.:

As a result of the Tax Cuts and Jobs Act, TCF will provide approximately $5 million in one-time bonuses to eligible team members—$1,000 to full-time team members and $500 to part-time team members—who earned less than $100,000 in total compensation during 2017, totaling 80 percent of its workforce. Additionally, TCF will donate $5 million to TCF Foundation to increase grants to nonprofit organizations in the communities it serves, including increasing its match of team member contributions to nonprofit organizations from 100 percent to 200 percent in 2018. TERRITORIAL SAVINGS BANK – HONOLULU, HAWAII:

Territorial Savings Bank has joined the state’s four largest banks in giving out bonuses to employees and increasing the minimum wage.

Territorial Savings Bank said today that most of its employees will receive a $1,000 bonus and that it will be increasing its starting wage to $15 an hour from $11.25 an hour beginning Monday. The bonus, which was awarded today to 247 employees, is in addition to a $250 bonus that had been paid earlier this month to the same employees, following a practice that has been in place for several years. The 36 employees at the vice president level and above did not receive the $1,000 bonuses. TEXAS CAPITAL BANK – DALLAS, TEXAS:

Texas Capital Bank President and CEO Keith Cargill announced today that the bank will be giving a majority of its employees a special $1,000 bonus, thanks in part to passage of the federal tax overhaul ***plan***. THERMO FISHER SCIENTIFIC – WALTHAM, MASS.:

    $500 bonuses

TJX COMPANIES – FRAMINGHAM, MASS.:

Associates

    A one-time, discretionary bonus to eligible, non-bonus-***plan*** Associates, globally     An incremental contribution to the Company’s defined contribution retirement ***plans*** for eligible Associates in the U.S and internationally     Instituting paid parental leave for eligible Associates in the U.S     Enhancing vacation benefits for certain U.S Associates

Communities

    Made meaningful contributions to TJX’s charitable foundations around the world to further support TJX’s charitable giving

TINGLEY RUBBER COMPANY – PISCATAWAY, N.J :

Tingley Rubber Company is giving employees $1,000 bonuses.

TIS THE SEASON – WEST JEFFERSON, N.C :$1,000 bonuses for full-time employees. TOKIO MARINE HHC – HOUSTON, TEXAS:

    $1,500 employee bonuses for 2,000 employees.

TOTAL SYSTEM SERVICES – COLUMBUS, GA.:

Total System Services Inc. is crediting tax reform for cash bonuses going to their team members worldwide.

Team members would receive a “special one-time cash bonus of $1,000” as “a result of the company’s continued success and the recently passed U.S tax reform legislation.”

TSYS, which is celebrating its 35th anniversary in 2018, has about 11,500 employees — a little more than 5,000 of whom are based in Georgia. TOWN BANK – HARTLAND, WIS.:

Town Bank said the decision to increase the pay rate for eligible staff “comes as a result of the recently enacted tax reform legislation and the bank’s continued commitment to its employees.”

Wintrust said it expects that more than 600 employees will benefit from the pay raise across its family of more than 150 bank locations, including Town Bank’s 19 branches in Wisconsin. TRAVELERS – NEW YORK, N.Y :

Joining a growing list of companies handing out cash in the wake of federal legislation that slashes corporate tax rates, the Travelers Cos. Inc. told its staff it will give bonuses of $1,000 to thousands of employees.

Chief Executive Officer Alan Schnitzer said in a letter to employees that Travelers will give the bonuses in January to about 14,000 employees with a base salary of $75,000 a year or less and who meet “performance expectations.” TRAVERSE CITY STATE BANK – TRAVERSE CITY, MICH.:

The bank announced that it was giving each of its 90 employees a one-time $750 bonus because of the federal tax overhaul that President Donald Trump signed in December and the bank’s strong performance last year.

TREMCO INC. – CLEVELAND, OHIO:

Tremco Inc. is  hiring new employees, increasing employee retirement contributions, upgrading equipment, and reinvesting in employees.

TRI-STATE TRAILER SALES – LANCASTER, PA.:

    Increased 401(k) for employees, to 100% on the first 4% of compensation

TRUE NORTH STEEL – BILLINGS, MONT.:

True North Steel added 35 new jobs which Daines attributes to the tax cuts.

Daines said there are several companies in Montana who raised wages, gave out bonuses, and added jobs. TURNING POINT BRANDS – LOUISVILLE, KY.:

Turning Point is joining the nationwide trend of giving a $1,000 bonus to its work force after the passage of tax reform legislation. TURNING POINT USA – LEMONT, ILL.:

    $300 bonuses to all 115 employees.

TUCSON ELECTRIC POWER COMPANY – TUCSON, ARIZ.:

The utility will pass tax savings on to customers.

TYSON FOODS – SPRINGDALE, ARK.:

    Provide a one-time bonus to more than 100,000 team members whose compensation does not include an annual bonus. Eligible full-time team members will receive $1,000, and eligible part-time team members will receive $500. These team members are the backbone of our business and can expect to hear more details from their leadership soon.

    Focus funds on innovation and other initiatives such as enhancing the training, education and development opportunities that all team members receive, so you have the tools you need to advance within Tyson Foods and achieve your potential. For one, we’ll be increasing our investment in our Upward Academy ***program***, an initiative that helps new workers with life skills, including English as a Second Language and General Educational Development (GED) classes.

    Accelerate capital projects that strengthen our operations and plant communities around the U.S As part of this investment, we will move faster on sustainability and animal well-being initiatives, shrinking our environmental footprint, protecting the animals in our care and giving the world’s growing population greater access to sustainable food.

U.S BANK – MINNEAPOLIS, MINN.:

Minneapolis-based U.S Bancorp announced a $1,000 bonus for nearly 60,000 employees, a new minimum wage of $15 per hour for all hourly employees and a $150 million contribution to the U.S Bank Foundation. The company also said it would enhance employee health insurance offerings and pour more money into improving customers’ mobile and digital experiences. U-HAUL – PHOENIX, ARIZ.:

Full-time employees will be issued a one-time $1,200 bonus. Part-time employees will be issued a $500 bonus. This includes all certified medical and maternity leave and military leave Team Members as well.  Bonuses will be issued by the end of February.

In total, the bonuses handed out will exceed $23.6 million and be distributed to 28,940 Team Members.

UELNER PRECISION TOOLS & DIES – DUBUQUE, IOWA:

Uelner Precision Tools & Dies is giving employees bonuses.

ULTA BEAUTY, INC. – BOLINGBROOK, ILL.:

Ulta Beauty, Inc. is giving bonuses for hourly associates, totaling $12.3 million.

UMPQUA BANK – PORTLAND, ORE.:

Umpqua Bank announced in its latest earnings call that it had paid $3.2 million in employee profit-sharing and contributed $2 million to the Umpqua Bank Charitable Foundation as a result of the tax bill. UNION BANK & TRUST – LINCOLN, NEB.:

All full-time and part-time employees received a $1,000 bonus. Over 800 employees. UNITED BANK – MARYSVILLE, KAN.:

United Bank and Trust raised hourly and salaried employees’ wages by $100 per month. UNITY BANK – CLINTON, N.J :

In response to Congressional approval of tax reform legislation, Unity Bancorp, Inc. (NASDAQ:UNTY), parent company of Unity Bank, announced today that its Board of Directors has elected to provide all employees excluding executive management with a one-time $750 bonus. UNUM – CHATTANOOGA, TENN.:

On the heels of announcing record financial results for 2017, Unum said, in addition to the existing all-employee annual bonus ***program***, it is investing in its people and communities with a new paid parental leave benefit for both mothers and fathers in the U.S ; enhancements to the compensation ***program*** so that all U.S employees earn at least $15 an hour; and an additional $1 million in charitable contributions this year in support of the communities where Unum employees live and work.

UPPER PENINSULA POWER COMPANY – MARQUETTE, MICH.: The utility will pass tax reform savings to its customers. UPS – ATLANTA, GA.:

UPS today announced more than $12 billion in investments to expand the company’s Smart Logistics Network, significantly increase pension funding, and position the company to further enhance shareowner value.

“This $12 billion investment ***program*** is an outgrowth of the opportunity for tax savings created by the Tax and Jobs Act,” said David Abney, UPS Chairman and Chief Executive Officer.  “We will increase network investments and accelerate pension funding to strengthen the company for the long term, so that we maximize the benefit to our global customers, employees and shareowners.” U.S SPECIAL DELIVERY – IRON MOUNTAIN, MICH.:

    $1,000 bonuses

VELVET ICE CREAM  – UTICA, OHIO:

Nathan Arnold, marketing manager for Velvet, said the company’s total investment of about $300,000 will be made this year, except for its new warehouse management system, to be completed in 2019.

The company is increasing wages by $1.10 per hour for full-time employees and by 50 cents per hour for seasonal summer workers. Velvet employs 125 full-time workers and 50 part-timers in the summer. VERIZON – BASKING RIDGE, N.J :

Verizon says many workers will receive shares of stock  3:21 PM ET Tue, 23 Jan 2018 | 00:38Verizon says employees, other than top management, will receive 50 shares of restricted stock, the price of which will be set on February 1.

About 155,000 employees will be affected, Verizon CEO Lowell McAdam told CNBC’s “Fast Money: Halftime Report.”

The award could total over $400 million, based on Verizon’s current share price. Shares traded around $53 a share on Tuesday, down from a fresh 52-week intraday high of $54.60 after quarterly earnings were released. VERMONT GAS SYSTEMS – SOUTH BURLINGTON, VT.:

Vermont Gas announced that it will reduce 2018 customer costs by $2.4 million, the full benefit of December’s federal tax law changes. Vermont Gas has filed a notice with the Vermont Public Utility Commission to give customers a monthly credit on 2018 bills, starting February 1st and continuing through October 2018. Each of Vermont Gas’ 51,000 customers will receive a credit on their heating bill, based on usage, over the next eight months. For families, this bill credit will total almost $40 over the year; businesses could see even more. VERST LOGISTICS – WALTON, KY.:

Verst Logistics confirmed today that they distributed $500 bonuses to all full-time employees on December 29, 2017.

As part of an internal communication, President and CEO Paul Verst wrote that, as a result of the approved tax reform legislation, “Verst Logistics will realize reduced tax obligations going forward.” Speaking directly to employees, he added, “The combination of the efforts of our employees to meet and exceed our customer’s requirements, coupled with a more favorable tax environment, makes for a great future for our company. I want to be sure that you and your families share in the benefits of your accomplishments and the new tax reform legislation.” VISA – FOSTER CITY, CALIF.:

Recognizing that the change in the tax law is focused on the U.S , we have looked first at improving our benefits for U.S -based employees by significantly inriching our company contributions to the 401(k) ***program***:

    Visa matches 200% of eligible employee contributions up to 3% of base salary for a total maximum contribution of 6% of eligible pay.     Visa will now increase the match to 200% of employee contributions up to 5% of base salary, for a Visa total maxmum contribution of 10% of eligible pay.

WALMART – BENTONVILLE, ARK.:

More than 1 million associates benefit from combined wage and benefit changes

    Walmart is increasing its starting wage rate for hourly employees in the U.S to $11, following the passage of new tax legislation.     The company said it will also expand maternity and parental leave benefits, and provide a one-time cash bonus for eligible employees of as much as $1,000.     Walmart said it’s still accessing other “potential additional investments” that could come after the new tax laws.

WASHINGTON FEDERAL – SEATTLE, WASH.:

Washington Federal announced a series of changes as a direct result of the passage of federal tax reform legislation. That includes a 5 percent merit-based increase in wages for all employees earning less than $100,000 annually as well as an investment in employee training ***programs***.

The bank is also ***planning*** to increase its technology staff by 25 percent and add an additional tech office in Boise, Idaho, according to a news release. It will also contribute $5 million to the Washington Federal Foundation, which supports nonprofits focused on housing, senior care and improving financial literacy. WASHINGTON TRUST BANK – WESTERLY, R.I :

“Recent legislation has provided us with an opportunity to further recognize our employees and the important role they play in delivering excellent results for our customers and shareholders,” stated Joseph J. MarcAurele, Washington Trust Chairman and Chief Executive Officer.

The Corporation outlined the investment ***plan*** as follows:

    We will award a one-time cash bonus of $1,000 to full-time employees and a $500 cash bonus to part-time employees. This award will benefit employees below a certain compensation threshold, covering more than 70 percent of our approximately 600 employees.     Additionally, we will implement a $1.00 per hour salary increase for employees below a certain compensation level, benefitting almost 40 percent of our workforce.

WASTE MANAGEMENT – HOUSTON, TEXAS:

Waste Management said that it will give $2,000 in special bonuses to about 34,000 employees.

The company said the cash bonuses will be given to its North American employees who are not on a bonus or sales incentive ***plan***, including hourly and other employees.

The news comes after other companies have made similar announcements, citing the passage of tax legislation that slashes the corporate tax rate to 21 percent from 35 percent. WEBCO – SAND SPRINGS, OKLA.:

We announced bonuses to our employees this week related to the Tax Cuts and Jobs Act of 2017. The bonuses total about $1.3 million for all non-executive employees, which is an average of about $1,000 per employee. All of our employees also participate in our company’s profit sharing ***program***.  A significant portion of all future tax savings will go into increased profit sharing checks for our employees. WEBHOBBY SHOP – PONTIAC, MICH.:

Bruce Zak, owner of Web Hobby Shop in Pontiac, Michigan, said, “I am sure it seems like ‘crumbs’ to elitists but I was able to give them a $2 per hour raise because of the tax reform. It was great to do and my staff is very pleased.” WEBSTER BANK – WATERBURY, CONN.

Webster said it will pay a one-time $1,000 cash bonus in the first quarter of 2018 to full-time employees who are below the vice president level. This payment will benefit approximately 70 percent of all Webster full-time employees, the bank said.

The financial institution also said it would increase Webster’s minimum wage to $15 per hour by the end of 2018. WELLS FARGO – SAN FRANCISCO, CALIF.:

***Plans*** to raise the minimum wage of all team members to $15 per hour, which is an 11% increase over their current minimum hourly rate of $13.50     Targeting $400 million in donations to community and nonprofit organizations in 2018 and will target 2% of its after-tax profits in 2019 for corporate philanthropy.     Targeting $100 million in capital and other resources over the next three years to support the growth of diverse small businesses and an additional $75 million in 2018 to its NeighborhoodLIFT ***program*** on sustainable homeownership and neighborhood revitalization.

WESTAR ENERGY – TOPEKA, KAN.:

Westar Energy announced it will file a request before the Kansas Corporation Commission (KCC) to reflect in its electricity rates the full amount of tax savings from the change in the federal tax law. Westar said that a detailed application is being prepared and will be filed later this month or early February. The Tax Cuts and Jobs Act, which decreased the corporate tax rate from 35 percent to 21 percent, was signed into law on Dec. 22, 2017, and became effective Jan. 1, 2018.

“We agree with the KCC Staff and others that all these tax benefits should go to our customers,” said Mark Ruelle, President and CEO of Westar. “This application to update rates starts that process.” WESTERN ALLIANCE – PHOENIX, ARIZ.:

    7.5 percent wage increase for the lowest-paid 50 percent of its employees.

WESTERN & SOUTHERN FINANCIAL GROUP – CINCINNATI, OHIO:

    $2,000 bonuses for full time employees     $1,000 for part time employees

WHITE PINE WINERY – ST. JOSEPH, MICH.:

    This is a big deal for the wine industry,” Says Dave Miller, White Pine Winery owner. He says over the past few days his email has been flooded with news of the tax bill…he says business has been good this year, and he ***plans*** on planting more grape vines this spring.     According to the Wine Institute, which represents a thousand wineries, this is the first wine excise tax reduction in 80 years. It says the bill will help grow wineries across the country.

WICHITA RAILWAY – WICHITA, KAN.:

Each employee was handed an envelope. Inside each envelope was a tax cut bonus, ranging from $3,000 to $6,000. To date, these are the highest tax cut bonuses in the country, according to a national list maintained by ATR. WILLIS LEASE FINANCE – NOVATO, CALIF.:

Willis Lease Finance Corporation announced that it has given all non-executive employees a one-time bonus of $1,000 as a result of the tax laws recently passed by the United States Congress and signed into law by President Donald Trump. WINDSOR FEDERAL SAVINGS – WINDSOR, CONN.:

Windsor Federal in Windsor, Conn., will pay a $250 bonus to all employees (excluding senior management), and raise the hourly minimum wage to $15 per hour. WIRCO – AVILLA, IND.:

Wright announced that he would be giving every Wirco employee a $500 bonus as a result of the savings the company would see from federal tax reform passed by Republicans in late 2017. WORLDPAY – CINCINNATI, OHIO:

U.S hourly workers are getting bonuses of $1,000 to $2,000 each, and some hourly wages are being hiked. The company is increasing its 401(k) match and investments in wellness and recognition ***programs***. Charles Drucker, the company’s executive chairman and co-CEO, said the company also will increase charitable giving. XANTE – MOBILE, ALA.:

Mobile-based Xante Corp. handed out $1,200 bonus checks to most of its employees on Monday, as its CEO gave thanks to a Republican tax reform bill and Rep. Bradley Byrne.

Xante provides high-end printers and related software for use by professional graphics and printing operations. It employs a little over 100 people in Mobile and about 15 more in Europe. CEO Robert Ross said Monday that anyone who’d been with the company for a year or more was getting a $1,200 bonus, while those employed less than a year were getting a different amount. XCEL ENERGY – MINNEAPOLIS, MINN.:

Minneapolis-based Xcel expects to require $133 million less in revenue for its Minnesota electric operations in 2018, according to a filing Friday with the PUC. The company’s gas utility operations would require $8 million less in revenue. Those estimates account for the general corporate tax cut, as well as from utility-specific federal tax changes in the new law.

“We intend to ensure our customers receive the full value of the tax reform benefits,” Xcel said in the PUC filing. YAM WORLDWIDE – SCOTTSDALE, AZ.:

“The passage of the tax credit is a catalyst for explosive economic growth. On a massive scale, the lowered federal tax burden on businesses will increase investment, entrepreneurship and corporate philanthropy,” Parsons said in a press release. “I’ve always believed in sharing good news and have decided to celebrate the tax ***plan*** by giving back to my staff.”

The firm employs 725 people, and the 594 who have been with the company longer than six month will each receive a $2,000 bonus, according to the press release. All other staffers will get $1,000. The bonuses total $1.3 million. YANCEY BROS. – AUSTELL, GA.:

    $500 bonus to all employees

ZIONS BANK – SALT LAKE CITY, UTAH:

Zions Bancorp, the Salt Lake City-based large regional bank, said it would pay $1,000 bonuses to nearly 80% of its workforce and increase compensation for nearly 40% of employees as a result of the tax legislation passed late in December.

**Load-Date:** April 9, 2018

**End of Document**



[***Washington: Fact Sheet: The United States and India — Prosperity Through Partnership***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-B081-JDG9-Y27F-00000-00&context=1516831)

Impact News Service

June 27, 2017 Tuesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 1884 words

**Body**

Washington: White House Administration has issued the following news release:

 President Donald Trump hosted Prime Minister Narendra Modi at the White House on June 26, 2017. The visit reinforced the close ties between the United States and India that have strengthened both great democracies. Highlights of this cooperation include:

Global Partners on Defense and Security

    Major Defense Partner. The United States remains a reliable provider of advanced defense articles in support of India’s military modernization efforts. United States-sourced defense articles, including the Sea Guardian Unmanned Aerial System, Apache attack helicopters, and C-17 aircraft will further enhance the capabilities of the Indian Armed Forces and provide additional opportunities for interoperability. Completion of these sales would increase bilateral defense trade to nearly $19 billion, supporting thousands of United States jobs. If selected, United State offers to sell F-16 and F/A-18 fighter aircraft to India would represent the most significant defense cooperation between the United States and India to date.     DTTI. The United States-India Defense Technology and Trade Initiative (DTTI) remains the premier forum for deepening collaboration on defense co-development and co-production. The seven DTTI Joint Working Groups continue to discuss a range of technologies and platforms for potential co-development, including India’s participation in the Future Vertical Lift ***program***. DTTI representatives met most recently in April 2017.     Military-Military Engagements. Key military and civilian defense leaders continue to meet via reciprocal counterpart visits and ***strategic*** and policy dialogues, promoting closer service ties and improving interoperability among our forces. The annual MALABAR naval exercise, occurring in July 2017 in the Indian Ocean, will be the most complex to date, including participants from the U.S Navy, Indian Navy, and the Japan Maritime Self-Defense Force. The United States and India also participate in the VAJRA PRAHAR Special Forces exercise, the RED FLAG air force exercise, and YUDH ABHYAS army exercise.     Counter-Terrorism Partnership. The United States and India are committed to combatting terrorism in all its forms and to strengthening cooperation on terrorist screening, intelligence, and information sharing, terrorist use of the internet, and multilateral terrorist designations. Reflecting this partnership, the U.S Terrorist Screening Center and Indian counterparts are cross-screening known and suspected terrorists for investigative and intelligence purposes.     Law Enforcement Cooperation. The United States has provided anti-terrorism assistance training for more than 1,200 Indian security personnel since 2008.     Facilitating ***Strategic*** Trade. The High Technology Cooperation Group (HTCG) facilitates greater civil high technology and defense trade between American and Indian businesses, leveraging India’s status as a Major Defense Partner. In 1999, 24 percent of all exports from the United States to India required an export license. Currently, licensed exports still make up only a small percentage of trade with India; in 2016, only 0.4 percent required a license, commensurate with the United States’ closest allies and partners.

Committed to Increasing Free and Fair Trade

    Trade. Two-way trade in goods and services reached $114 billion in 2016. With the Indian economy growing at 7 percent annually, both countries are committed to further expanding and balancing the trade relationship.     Aviation. In 2017, Indian airline SpiceJet announced the order of 100 new Boeing 737MAX-8s, bringing its order to 205 planes valued at more than $20 billion and, according to industry, creating and sustaining 130,000 American jobs in the state of Washington and elsewhere. At the Paris Air Show in June, SpiceJet announced a preliminary commitment for an additional 20 Boeing aircraft.     India is projected to become the world’s third-largest commercial aviation market by 2020. Through the U.S-India Aviation Cooperation ***Program***, the United States has increased the safety and security of India’s rapidly growing aviation sector, and generated over $600 million in exports of U.S manufactured goods and services.     Trade Facilitation. The United States and India, both signatories to the World Trade Organization’s Trade Facilitation Agreement (TFA), are working together to implement the TFA’s provisions and help lower the cost of trade for both our countries.     Investment. According to the Government of India, the United States is one of the top five destinations for investment from India. The U.S Bureau of Economic Analysis reports that Indian companies have invested over $11 billion in the United States economy, creating and sustaining more than 52,000 jobs. Industry sources indicate these investments are spread across 35 states.     Capital Markets. The Department of Treasury and Indian Ministry of Finance continue to collaborate on resolving outstanding tax disputes, building Indian capital markets, and promoting greater bilateral investment. Enhanced technical cooperation includes areas such as the development of India’s municipal bond market. The just-completed issuance of a municipal bond for the city of Pune was India’s first municipal issuance since 2011.

Powering the New India

    Liquefied Natural Gas Exports and Investment. Indian energy companies have signed more than $30 billion in long-term contracts for U.S -***produced*** liquefied natural gas (LNG), including from Louisiana and Maryland. Industry estimates that Indian companies have invested more than $10 billion in the United States LNG and shale sectors.     Nuclear Power. The United States and India are committed to realizing commercial civil nuclear cooperation, in particular through a contract for six Westinghouse Electric AP-1000 nuclear reactors to be built in Andhra Pradesh, India. Once completed, the project will provide reliable electricity for millions of Indian citizens.     Fossil Energy. The U.S Trade and Development Agency will host a Refineries Performance Optimization Reverse Trade Mission in fall 2017, familiarizing senior executives from Indian refining companies with U.S technologies that can optimize the performance of India’s oil refineries.     Grid Expansion and Modernization. The Department of Commerce will lead a Smart Grid and Energy Storage Business Development Mission to New Delhi, Hyderabad, and Mumbai in March 2018 to showcase U.S technologies and services that can help India address its grid modernization needs. The two countries also announced the Smart Grid and Energy Storage consortia under the U.S -India Joint Clean Energy and Research Development Center.     Energy Finance. The U.S -India Clean Energy Finance Task Force is delivering recommendations to mobilize U.S technology exports and American and Indian private investment in India’s $1.2 trillion power market. Additionally, the Department of State is facilitating connections between American and Indian industry, state governments, and universities to advance energy solutions.

Expanding Ties Between Our Citizens

    Today, nearly 4 million Indian-Americans reside in the United States and over 700,000 U.S citizens live in India. Last year, the United States Government issued nearly one million visas to Indian citizens, and facilitated 1.7 million visits by Indian citizens to the United States.     Global Entry Trusted Traveler ***Program***. The United States began accepting applications from India for the expedited entry ***program***, facilitating travel in both directions that will lead to more business, investment, and tourism. In 2016, Indian visitors in the United States spent nearly $13 billion, making India the sixth largest market for U.S travel and tourism exports.     Skills Development. More than 166,000 Indian students studied in the United States in 2016, contributing $5 billion in economic activity and supporting some 64,000 American jobs. Over the last decade, Indian students contributed $31 billion to the U.S economy.     Entrepreneurship. The United States and India will co-host a Global Entrepreneurship Summit this year in India, focused on supporting women entrepreneurs, and geared toward solving 21st century challenges and improving lives. President Trump has asked Ivanka Trump to lead the United States delegation to the Global Entrepreneurship Summit.     Indian Americans have embraced innovation and entrepreneurship, sitting at the forefront of Silicon Valley’s technology revolution, and founding an estimated 15 percent of Silicon Valley startups. They have helped to develop the Pentium chip, fiber optics, and noise canceling headphones, among numerous other innovations.

Tackling Global Challenges

    Exploring Space. The United States and India are working together in the exploration of space, from discovering water on the surface of the Moon to sharing data on Mars from our respective orbiters. The joint NASA-ISRO Synthetic Aperture Radar (NISAR) satellite, scheduled for launch in 2021, will help scientists to better understand some of Earth’s most complex systems and hazards.     Afghanistan Development. The United States and India support increased stability and prosperity in Afghanistan and their expanded development coordination and cooperation benefits all three countries. India has spent $2 billion on development assistance to Afghanistan since 2001, and pledged an additional $1 billion in 2016. In September 2017, the United States will co-sponsor the India-Afghanistan Export, Trade and Investment Fair in New Delhi, to promote expanded Afghan commercial ties with India.     Global ***Agriculture*** Cooperation. Fifty years after the Green Revolution helped India to free millions from hunger, the United States and India have trained more than 1,500 ***agricultural*** practitioners from 17 countries across Africa and Asia on specialized farming practices to improve productivity and income.     U.N Peacekeeping Burden Sharing. India and the United States remain committed to U.N peacekeeping and building the capacity of African partners, training participants from 13 countries and the African Union. The two sides will conduct additional joint training in July 2017 and lead a mobile training team in Africa this fall.     Disease Research and Treatment. For more than 40 years, the United States has collaborated with India on disease research, including tuberculosis (TB), HIV, and rotavirus, and non-communicable diseases – cancer, diabetes, and cardiovascular diseases. The United States supports India’s ambitious goal to end TB by 2025, through the scale-up of detection, diagnosis, and new treatments for drug-resistant TB.

Global Health Security Agenda (GHSA). As GHSA Steering Group members, the United States and India recognize the importance of strengthening global capacity to counter infectious disease threats. India is working across sectors to address antimicrobial resistance (AMR) stewardship, a key threat to global health security and modern medicine. The United States remains committed to supporting India as it develops and implements multi-sectoral national action ***plans*** to combat AMR and two national AMR networks for the use of antimicrobial surveillance.

**Load-Date:** August 1, 2017

**End of Document**



[***Nestlé Indonesia - Q4 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PMX-NV21-F0J5-830W-00000-00&context=1516831)

Indonesia Food & Drink Report

October 1, 2017 Sunday

Copyright 2017 Business Monitor International Ltd. All Rights Reserved



**Length:** 961 words

**Highlight:** Nestlé Indonesia is the local subsidiary of Switzerland-based Nestlé, the world's largest food and drink company. The firm is one of Indonesia's major food and drink ***producers***, with all of the company's key product categories, including beverages, dairy products, nutritional foods, pre-prepared dishes, chocolate and confectionery, sold in the market on some scale. Major brands in the country include Milo, Maggi and Nescafé.

**Body**

**SWOT Analysis**

|  |  |
| --- | --- |
|  |  |
| Strengths | A market-leading position in the dairy sector leaves Nestle Indonesia well placed to capitalise on the growing dairy demand. Its strong portfolio of brands and well-developed product development facilities will keep Nestle Indonesia well entrenched in the high-growth domestic consumer goods sector. 'Popularly positioned products' provide a ***strategic*** springboard for Nestle Indonesia to harness the growing spending power among rural consumers. A well-developed distribution network leaves Nestle Indonesia in a strong place to further strengthen its domestic presence. Recent large-scale investment will pay dividends in the coming years. The production chain is strengthened by sourcing raw materials from domestic ***producers***. |
| Weaknesses | Although Nestle Indonesia's processed dairy goods offer higher margins, they are out of reach of most, domestically, given that the majority of Indonesia's population still falls within a very low income bracket. Exposed to fluctuations in the price of commodities, with Indonesia's low incomes limiting the extent to which price increases can be passed on. Exposure to a market characterised by low per capita food consumption means that Nestle Indonesia is unlikely to reap substantial returns on its investments in the near term. |
| Opportunities | Continued development of 'popularly positioned products' allows Nestle Indonesia to extend its reach to the rural consumer base and build an early lead in the high-growth rural market. Rising incomes will present greater opportunities to expand sales through premiumisation across all categories. Ongoing proliferation of modern retail will provide additional sales avenues for Nestle Indonesia, allowing the company to further spread its domestic presence. Expansions in production capacities could leave Nestle Indonesia in a stronger position to meet increased domestic demand in Indonesia. |
| Threats | Dairy sales are restricted by low per capita incomes, particularly outside of major urban centres. Underdeveloped distribution infrastructure is a challenge for the firm, restricting the spread of perishable dairy items. |

|  |  |
| --- | --- |
| **Company Overview** | Nestle Indonesia is the local subsidiary of Switzerland-based Nestle, the world's largest food and drink company. The firm is one of Indonesia's major food and drink ***producers***, with all of its key product categories, including beverages, dairy products, nutritional foods, pre-prepared dishes, chocolate and confectionery, sold in the market on some scale. Major brands in the country include Milo, Maggi and Nescafe. In the noodle category, the firm operates a 50-50 joint venture with Indonesian instant noodle ***producer***, Indofood Sukses Makmur. |

|  |  |
| --- | --- |
| **Strategy** | Nestle's position as the world's largest food firm has been built through modest but steady expansion, and a conservative approach to growth remains the firm's guiding philosophy. This has left it open to accusations that it has not gone far enough to build up a dominant position in fast-growing emerging markets. However, Nestle remains a key player in the majority of the world's most important emerging markets, generating about 40% of its revenues from these countries - a figure that compares favourably with nearly all of its peers. This wide geographic spread is a major strength, but it is notable that the firm's emerging market sales are currently weighted towards Latin America and that its presence in Asia is perhaps not as impressive as might be expected. This partly explains why its pace of growth in these markets has been less rapid than some of its peers. However, we do expect Nestle to continue building up its presence in high-growth Asia, given the very exciting opportunities on offer in the region. Indonesia is one of the high-growth assets in Nestle's emerging markets portfolio, and the company has invested a significant sum of capital in the country to further exploit the sector's burgeoning domestic demand potential. In 2010 alone, Nestle invested more than USD200mn in expanding its Indonesian production capacity, further underlining the company's confidence in Indonesia's consumer growth story. Although Nestle does not post country-specific revenue figures, we do expect Indonesia to become an increasingly important growth driver given the strong domestic demand credentials of the country. Across emerging markets, Nestle has adapted its products to suit the economic environment by offering smaller pack sizes at lower prices and cheaper variations of its core products. Indonesia is no exception to this strategy. Consumers graduate to its more expensive offerings as income levels increase and these 'popularly positioned products' are an essential way to build brand awareness in less affluent regions. Besides building up its product offerings and securing a stronger market foothold in Indonesia, Nestle Indonesia will also continue to strengthen operational efficiencies, and this bodes well for its profitability. Nestle Indonesia has sought greater integration with primary ***producers*** in a bid to improve efficiency, bring down supply chain costs and prompt a shift in the type of products that local consumers buy. Nestle Indonesia has conducted research on coffee trees in Indonesia and has selected a range of the highest yielding varieties. The company will now work with the ***agriculture*** ministry to distribute seedlings to farmers in the main coffee growing regions in Sumatra and Java. In 2011, Nestle Indonesia launched a ***program*** called Nestle Cocoa ***Plan*** in which the company puts efforts into improving farmers' skills to operate environmentally sound farms, while still remaining profitable. The ***programme*** is also intended to strengthen the cocoa supply chain. |

**Load-Date:** October 5, 2017

**End of Document**



[***Register of Commission documents: European Parliament resolution of 6 July 2017 on promoting cohesion and development in the outermost regions of the EU: implementation of Article 349 of the TFEU (2016/2250(INI)) Document date: 2017-07-06 P8\_TA-PROV(2017)0316 Texts adopted (provisional edition***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P97-J9Y1-JDG9-Y0M4-00000-00&context=1516831)

Impact News Service

August 19, 2017 Saturday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 6068 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

European Parliament 2014-2019 TEXTS ADOPTED Provisional edition P8\_TA-PROV(2017)0316 Promoting cohesion and development in the outermost regions of the EU European Parliament resolution of 6 July 2017 on promoting cohesion and development in the outermost regions of the EU: implementation of Article 349 of the TFEU (2016/2250(INI)) The European Parliament, – having regard to Article 52 of the Treaty on European Union (TEU), the first paragraph of which stipulates that the Treaties apply to the Member States, and the second paragraph of which stipulates that the territorial scope of the Treaties is specified in Article 355 of the Treaty on the Functioning of the European Union (TFEU), – having regard to Article 355(1) of the TFEU, as amended by the decisions of the European Council of 29 October 2010 amending the status with regard to the European Union of the island of Saint-Barthélemy (2010/718/EU) and of 11 July 2012 amending the status of Mayotte with regard to the European Union (2012/419/EU), which stipulates that the provisions of the Treaties shall apply to the ORs in accordance with Article 349 of the TFEU, – having regard to Article 349 of the of the TFEU, which confers special status on the ORs, provides for the adoption of ‘specific measures aimed, in particular, at laying down the conditions of application of the Treaties to those regions, including common policies’, and stipulates that these shall concern in particular, but not exclusively, ‘customs and trade policies, fiscal policy, free zones, ***agriculture*** and fisheries policies, conditions for supply of raw materials and essential consumer goods, State aids and conditions of access to structural funds and to horizontal Union ***programmes***’, – having regard to Article 107(3)(a) of the TFEU, which states that aid to promote the economic development of the ORs may be compatible with the internal market, – having regard to Title XVIII of the TFEU, which establishes the objective of economic, social and territorial cohesion and specifies the structural financial instruments to achieve this, – having regard to Article 7 of the TFEU, which stipulates that the Union shall ensure consistency between its policies and activities, taking all of its objectives into account and in accordance with the principle of conferral of powers, – having regard to all the communications from the Commission on the ORs, – having regard to all its resolutions on the ORs, and in particular its resolution of 18 April 2012 on the role of cohesion policy in the ORs of the EU in the context of the Europe 2020 Strategy1, and its resolution of 26 February 2014 entitled ‘Optimise the potential of outermost regions by creating synergies between the EU structural funds and other European Union ***programmes***’2, – having regard to the judgment of the Court of Justice of the European Union of 15 December 20153, – having regard to the Commission’s report of 15 December 2016 on the implementation of the scheme of specific measures for ***agriculture*** in favour of the outermost regions of the Union (POSEI) of 15 December 2016 (COM(2016)0797), – having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on EU State Aid Modernisation (COM(2012)0209), – having regard to the memorandum signed in Cayenne by the ORs (5 March 1999), complemented by the joint memorandum of Spain, France, Portugal and the ORs signed in May 2010, which stipulates that the EU should promote the sustainable development of the ORs by building on the numerous natural and cultural assets of the ORs while promoting the principles of equal opportunities, partnership, proportionality and coherence of the EU policies, – having regard to the final declaration of the 21st conference of 22 and 23 September 2016 by the Conference of Presidents of the ORs and the Joint Memorandum signed at the Fourth Forum of the ORs of the European Union of 30 and 31 March 2017 in Brussels, – having regard to Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty4, – having regard to Rule 52 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports, – having regard to the report of the Committee on Regional Development and the opinion of the Committee on ***Agriculture*** and Rural Development (A8-0226/2017), 1 OJ C 258 E, 7.9.2013, p. 1 2 Texts adopted, P7\_TA(2014)0133. 3 Judgment of the Court of Justice of 15 December 2015, Parliament and Commission v the Council, C-132/14 to C-136/14, ECLI:EU:C:2015:813. 4 OJ L 187, 26.6.2014, p. 1. A. whereas Article 349 of the TFEU recognises the special economic and social situation of the ORs, which is compounded by factors (remoteness, insularity, small size, difficult topography and climate, dependence on a few products, etc.)

the permanence and combination of which severely restrain their development; B. whereas, in its landmark judgment of 15 December 2015, the Grand Chamber of the Court of Justice gave a thorough interpretation of Article 349 of the TFEU; C. whereas in that judgment, the Court confirms, above all, that legal acts with the aim of introducing specific measures for the ORs may be adopted on the legal basis of Article 349, that this legal basis makes it possible to derogate both from primary and from secondary law, and that the list of areas covered in the wording of Article 349 is not exhaustive, as ‘the authors of the FEU Treaty did not intend to lay down an exhaustive list of the types of measures that may be adopted on the basis of that article’, D. whereas, for the purpose of the application of the European Treaties to the ORs, Article 52 TEU and Articles 349 and 355 of the TFEU are linked, whereas under Article 355, first paragraph, (1) of the TFEU, the provisions of the Treaties apply to the ORs in accordance with Article 349 of the TFEU and whereas this reference to ‘the Treaties’ includes secondary legislation; E. whereas Article 349 of the TFEU must be read in conjunction with other articles of the Treaty, particularly Article 7, which stipulates that ‘the Union shall ensure consistency between its policies and activities, taking all of its objectives into account’; F. whereas the principles of equality and non-discrimination justify a difference in treatment in the case of distinct situations, in the interests, in the end, of equality in the application of European law, G. whereas the purpose of Article 349 of the TFEU is to ensure the development of the ORs, and their treatment both as part of European territory and as part of their own geographical regions, allowing them to benefit of European policies and where appropriate of specific measures adapted to their realities and needs; H. whereas the ORs have great geostrategic importance, and are crucial for purposes of research into climate change and biodiversity; I. whereas, according to the European Commission's estimates, the EU’s blue economy represents around 5.4 million jobs and a gross value added of around EUR 500 billion per year; 1. Recalls that Article 7 TEU confers on the Commission the role of guardian of the Treaties; emphasises that the outermost regions are fully integrated into the European Union and assimilated to its legal order, with their specific situation acknowledged by the Treaties, particularly Article 349 of the TFEU that establishes a principle and a right of adaptation, addressed at the level of different Union policies; 2. Stresses that while facing a significant disadvantage due to the geographical distance to the Union, the ORs benefit also from several important assets such as the potential of growing tourism related activities, blue growth, of exploiting significant renewable energy resources, of developing a circular economy, as well as building on their rich natural heritage and huge biodiversity; 3. Takes the view that that Article 349 of the TFEU could be interpreted also in a more innovative and positive manner, particularly with a view to establishing ad hoc ***programmes*** and specific new policies, making use of the strong points of the ORs and giving them the means to make the most of them, particularly in areas such as renewable energies, blue growth, research and development, sustainable tourism, biodiversity protection and climate change adaptation; recalls in this context the role the Union is assuming with a view to enable the ORs to overcome their challenges and build on their assets, but stresses at the same time the necessity that the respective Member States assume more responsibility as regards the use of available EU instruments that can support them in ensuring a sustainable development of their ORs; State of play concerning the application of Article 349 of the TFEU 4. Expresses concern that the articles of the Treaties concerning the ORs have not so far been implemented to the fullest extent possible, limiting their capacity of taking full advantage of their belonging to the Union and increasing their competitiveness in their particular geographic areas; 5. Considers that a broader implementation of Article 349 TFEU would help the ORs integrate more closely into the EU and develop and realise their potential in a way that takes full account of their specific characteristics and structural constraints but also of their assets; 6. Recalls the political will of the legislators at the time of the drafting of Article 299, second paragraph, and then Article 349 TFEU of establishing an overall strategy accompanied by specific measures under different policies and instruments; 7. Recalls that POSEI is a ***programme*** which takes full account of the special characteristics of the outermost regions, through a regulation of its own based both on Article 349 of the TFEU and on Articles 42(1) and 43(2), and recognises the dual principles of the ORs’ belonging to the Union and the full adaptation of a common European policy to the realities of the outermost regions; it is, therefore, crucial for such a ***programme*** to come to fruition and new POSEI ***programmes*** relating to other EU policies should be ***planned***; 8. Considers that the success of POSEI justifies retaining provisions specifically pertaining to the ORs rather than diluting them by spreading them across several cross-cutting ***programmes***; 9. Notes that several communications on the ORs have been adopted by the Commission; deplores the fact that the various European strategies for the outermost regions have so far been only partially implemented and fleshed out; 10. Calls now on the Commission to put forward an action ***plan*** accompanied, if necessary, by legislative initiatives making it possible to implement a consistent and effective strategy with regard to the outermost regions, a ***plan*** which takes full advantage of the possibilities offered by Article 349 TFEU, particularly for the creation of specific ***programmes*** and policies –especially on innovation and long-term investment – appropriate to their sustainable development needs; emphasises the need to work in close cooperation with the regional authorities of the ORs and the stakeholders; calls, therefore, on the EU institutions, in concert with the regional authorities in the ORs, to open a new chapter in relations between the EU and the ORs 11. Welcomes the work of the Commission on a renewed strategy on ORs which will be adopted latest end of 2017; calls on the Commission’s strategy to comprise a detailed approach to the ORs, detailed, targeted policy frameworks on investment needs and specific, achievable and measurable objectives; encourages France, Spain and Portugal to lend greater support to their ORs; 12. Recalls that Article 349 of the TFEU enables the outermost regions to be given operating aid that is not limited in time and not progressively reduced, on the basis of flexible procedures, intended to offset the additional costs that they have to handle; recalls that those exemptions relate both to the EU’s financial instruments and to State aid; 13. Stresses the need to ensure that the instruments, provisions and derogations adopted for the purpose of maintaining the stability conducive to the structural development of the outermost regions remain in force for a long time, paying due account to the assessments already conducted; 14. Calls on the Commission to compile a precise overview of the approach to the outermost regions and to examine the economic and social situation of each OR so as to help realise EU regional development policy objectives, particularly making up for delays and achieving sustainable development, with a view to enabling the outermost regions to approach the average levels of development which exist in Europe; 15. Calls on the Commission to step up coordination between its directorates-general in the areas concerning the ORs with a view to having an appropriate approach to outermost area issues in European policies and strategies; on that point, emphasises the crucial role of the Secretariat-General in ensuring that Article 349 of the TFEU is applied soundly, given the fact that adjusting EU policies to the special characteristics of the ORs entails decisions being taken at the highest political level; ***Agricultural*** policy 16. Welcomes the recent report by the Commission (COM(2016)0797), which concluded that the overall performance of the POSEI ***programmes*** (2006-2014) was positive, considers that that ***programme*** seems essential for the purpose of maintaining production by the ORs and that it accords with the new objectives of the Common ***Agricultural*** Policy (CAP), and recommends that the current basic regulation should remain in force, while bearing in mind the fact that budget adjustments might be required following the entry into force of any free trade agreements that might change or threaten to change the production of the ORs; 17. Considers that POSEI has been very successful ever since it was established; 18. supports the conclusion of the Commission’s report calling for the basic features of POSEI to be consolidated, so as to avert the danger that ***agricultural*** production might be abandoned, with all the harmful consequences which that would entail for employment, the environment and the territorial dimension of the ORs; 19. Considers it necessary to provide better support for diversification of production in the ORs, and to introduce actions designed to resolve the market crises which certain sectors are facing, particularly the tomato and livestock sectors, and to facilitate the development of small-scale holdings, such as dairy product holdings; 20. Recalls that the successive reforms of the common organisations of the market (COMs) have not paid sufficient attention to the specific characteristics of the ORs and urges for them to be better taken into account in future; 21. Observes that the disappearance of quotas and guaranteed prices which began with the reform of the COM in sugar in 2005 is damaging cane sugar ***producers*** in the ORs; emphasises the need to place on a permanent footing all the specific instruments put in place within the framework of Article 349 of the TFEU in the interests of the sustainable competitiveness of this industry; calls for the establishment of a support scheme for sugar-cane growers in the event of a fall in world sugar prices; 22. Calls on the Commission to take account of the crucial importance of milk production in the Azores, to maintain support to ***producers*** and to lay down additional measures in the event of a market crisis; 23. Recalls that banana production plays a crucial role in the socio-economic fabric of some ORs; calls, therefore, for support for ***producers*** to be maintained and, where necessary, increased; 24. Calls on the Commission to include, in its tools for managing and detecting market crises in ***agricultural*** sectors such as banana, sugar, rum, fisheries or milk, with the European Milk Market Observatory, a clear definition of a market crisis in the ORs, and to adapt its indicators to the actual situations in those regions; 25. Deplores the fact that the different schemes applicable for organic certification in third countries and in EU Member States distorts competition on that market, to the detriment both of European ***producers*** operating in the ORs and of European consumers, who are misled regarding the actual conditions under which those products are ***produced***; calls, therefore, within the framework of the negotiations in progress on the future European standards for the production and labelling of organic products, to replace compliance with the equivalence system currently in force, in order to guarantee fair competition between ORs and third countries; 26. Considers it is necessary to adopt a legal framework, on the basis of Article 349 of the TFEU, for products under the organic label, and a legal framework concerning sanitary and phytosanitary issues that take into account the characteristics of ***agricultural*** in the ORs, in a tropical context; 27. Calls on the Commission to encourage the farmers of the ORs to promote their high-quality products by supporting the use of the ORs logo, as well as other forms of quality certification; 28. Highlights that product differentiation and specialisation can further stimulate and promote local production, the processing and marketing of foodstuffs and thereby reduce existing disparities between the ORs and other EU regions; 29. Stresses, in the name of consistency of policies, the fact that the efforts made in the outermost regions to modernise and to render their industries competitive should not be undermined by free trade agreements signed between the EU and third countries; EU trade policy 30. Recalls that Article 207(3) of the TFEU requires agreements which are negotiated with third countries to be compatible with the Union’s policies and internal rules; 31. Notes that the growing number of trade agreements with third countries, including the largest global ***producers*** of bananas and sugar, is changing the distribution of the market, creating pressure on prices and threatening the competitiveness of the EU ***producers*** of those goods; 32. Considers, therefore, that the Union’s trade policy ought not to endanger the industries of the outermost regions, since they play a major role in economic, social and environmental terms; 33. Calls for the trade negotiations conducted by the Union to duly take into account the specific characteristics of ORs and products that are sensitive to them, in particular bananas, sugar, rum, tomatoes and fishery products; 34. Calls on the Commission and the Member States to be painstaking and act with due care and attention in the defence of the interests of the ORs in the negotiations on Brexit; 35. Urges the Commission, in line with the commitment made in its communication of 20 June 2012 to accompany ‘proposals for trade agreements, such as the Economic Partnership Agreements, with impact analyses’ which should, where relevant, ‘address the OR dimension’ and encompass the environmental, social, economic and territorial impact on ORs; calls for these impact analyses to measure, in addition, the cumulative effects of trade agreements on the outermost regions; 36. Deplores the fact that to date no study has been conducted on the consequences of free trade agreements on the ***agricultural*** sectors of the ORs; deplores, too, the fact that the ORs have not been taken into account in the Commission’s report of 15 December 2016 on the cumulative economic impact of trade agreements contrary to the regulatory provisions laid down by POSEI; 37. Calls for the Union’s trade policies to take into account the competitive disadvantages of the ORs; urges, in the event that they are crucial for the protection of products from the ORs, for tariff and non-tariff barriers to be maintained and for safeguard clauses and stabilisation mechanisms to be activated if the products of the outermost regions being seriously affected, or are at risk of this happening; 38. Underlines the limits on the principle of equivalence, particularly for organic ***agriculture*** products, which makes it possible for products from third countries which are not in compliance with all the European requirements to enter the European Union; calls for the principle of compliance to be applied immediately and for inspection measures to be stepped up; 39. Calls for the ORs to play a more important role in shaping the foreign policy of the European Union with their neighbouring countries, in an effort to bolster its foreign policy in the areas of poverty reduction, environmental sustainability, strengthening democracy, cultural exchange and gender equality; Sustainable maritime policy, fisheries and blue growth 40. Recalls that Article 349 of the TFEU stipulates that the Commission may propose measures specific to the ORs, also concerning fisheries policies; 41. Asks the Commission to consider setting up a support system for sustainable fisheries in the ORs based on Article 349 TFEU, in the light of what is being done in the ***agricultural*** sector under the POSEI ***programme***; 42. Urges the Commission and the Council to implement all the measures set out in Parliament’s resolution of 27 April 2017 on the management of fishing fleets in the outermost regions1, 43. Calls on the EU to join forces with the ORs to become a world maritime power; 44. Stresses that both the wealth of the oceans and the technological advances currently being made and to come in the future are able to open up unprecedented growth opportunities for the ORs; considers that sustainable ‘blue growth’ constitutes an opportunity to mitigate the structural inequalities between the ORs and continental Europe; considers, also, that it can help to make the ORs the focus of a future-centred European policy; 45. Recalls that, in view of their location, the ORs hold an important position with regard to maritime governance, monitoring coastal waters, combating illegal fishing and improving transport safety; 46. Encourages the Union and the Member States to further invest in the seas and oceans, especially in relation to the outermost regions, with a view to ensuring sustainable and efficient economic development of their exclusive economic zones; 47. Welcomes the study launched by the Commission concerning the potential for sustainable blue development in the outermost regions and calls for a genuine European ***programme*** for the ORs addressing the challenges on food security, sustainable ***agriculture***, marine and maritime research and the bio-economy; stresses, however, that some activities like the extraction of oil and gas located under the sea floor and the exploration for minerals from deep sea deposits may have severe impacts on sensitive marine areas, and disturb marine species and vulnerable ecosystems; 48. Points out the importance of marine protected areas in the ORs; Cohesion policy 49. Recalls that Article 349 TFEU provides for specific access to structural funds for the outermost regions and that, on that basis, all the ORs should be regarded as ‘least developed regions’; welcomes the Commission's actions in favour of the Outermost regions within in a series of four Communications on the Outermost regions (2004, 2007, 2008 and 2012); stresses the importance of the EU financial support for all the outermost regions which amounts to EUR 13 billion for the 2014-2020 period; 50. Reaffirms that cohesion policy must remain one of the key instruments of European action after 2020, especially with regard to the ORs, where regional disparities are still evident; 1 Texts adpoted, P8\_TA(2017)0195. 51. calls on Member States, given the principle of subsidiarity and their responsibilities, to fully implement the pre-conditions, with regard, in particular, to investment in the areas falling within their jurisdiction, so that European funds and policies in the outermost regions perform as well as possible; 52. Considers that, for the next ***programming*** period, more flexibility could be envisaged within the thematic concentration in the case of the outermost regions as regards defining some of their priorities for the use of the structural funds to ensure sustainable development; calls for the continuation of budget allocations to the ORs, of compensation of excess costs, and of all duly justified derogations intended to compensate them for their structural disadvantages; 53. Calls, in the context of the next multiannual financial framework (MFF), for the strict application of the criteria laid down in the general regulation setting financial envelopes; 54. Recalls the shared objective of twofold integration of the ORs; calls for all schemes concerned with cross-border cooperation between the ORs, EU overseas countries and territories (OCTs) and third countries in their geographical regions to be intensified and made operational, in particular by maintaining and improving synergies between the legal and financial provisions of the EDF and EFRD regulations; 55. Stresses the importance of adjusting the European Territorial Cooperation strategies with a view to reducing the negative impact felt by the ORs as a result of their position on the EU’s outermost edges and to promoting networking; 56. Recommends that more attention be paid, in the implementation of the European Fund for ***Strategic*** Investments (EFSI), to the ORs and the least developed and most isolated regions; 57. Recalls, in the light of youth unemployment in the ORs, the need to intensify EU action to support and train young people in the ORs, particularly by means of the Youth Employment Initiative; 58. Recalls that the most important fund for training and employment is the European Social Fund (ESF); calls on the Commission – in view of the structural nature and critical levels of unemployment in the ORs, and on the basis of Article 349 of the TFEU, which grants the ORs the right to specific access to the Structural Funds – to create an additional allocation within the framework of the ESF in order to support employability, mobility and training in the ORs; 59. Emphasises the importance of continuing to promote research and innovation strategies for smart specialisation (RIS3) in the ORs as a central element in the implementation of cohesion policy; 60. Recalls the importance of local development instruments such as community-led local development (CLLD) and integrated territorial investment (ITI) as a bottom-up approach to respond to local structural challenges while promoting community ownership; calls therefore on the Commission and the concerned Member States to explore ways of strengthening the use of CLLD as a flexible and innovative answer to the need for adaptation expressed by the ORs; 61. Stresses the need to take into account demographic changes in the ORs as a determining factor in the definition of policies to benefit them, particularly as regards education, training and employment policies; Competition policy and State aid 62. Recalls that Article 349 of the TFEU stipulates that the Commission may propose measures specific to the ORs, particularly concerning customs and trade policies, fiscal policy, free zones, conditions for supply of raw materials and essential consumer goods and State aids; 63. Recalls, furthermore, that Article 107(3) of the TFEU states that aid to promote the economic development of the ORs may be considered to be compatible with the internal market, in view of their structural, economic and social situation; 64. Calls on the Commission to rely further on Articles 107(3)(a) and 349 of the TFEU in the Regional State Aid Guidelines and the GBER (General Block Exemption Regulation) in order to contribute to the economic and social development of the ORs and pay greater attention to them; 65. Stresses that, given the remoteness and small size of their markets, strengthening the derogations to competition law obtained on the basis of Article 349 of the TFEU and Article 42 TFEU is not liable to affect trade between Member States, nor to destabilise the internal market; 66. Deplores the fact that the initial proposals for simplifying the GBERs and RSAGs did not from the outset and upstream make any provision for altering the rules for the outermost regions so as to successfully ensure the economic development of the ORs; 67. Calls on the Commission to step up its action to combat the large monopolies in the ORs, which contribute to the increase in the cost of living for local people, particularly in the sectors of imports that compete with the development of the local economy, energy, transport and telecommunications; 68. Calls on the Commission to extend the exceptional tax regimes for the outermost regions beyond 2020, based on thorough assessment of their situation, while ensuring progress towards fair and efficient tax systems and stepping up efforts to combat tax fraud in the EU and third countries; 69. Warns of trade practices such as those of clearance markets, which can destabilise the island micro-markets of local economies; Research, the environment, education, culture, transport, energy and telecommunications 70. Recalls that Article 349 of the TFEU stipulates that the Commission may propose measures specific to the ORs, also concerning the conditions governing their access to the Union’s horizontal ***programmes***; 71. Takes the view that cross-cutting EU ***programmes*** should provide for access conditions specific to the ORs so as to ensure their effective participation and to promote their assets by means of ***programmes*** such as Horizon 2020, Creative Europe, COSME or LIFE; 72. Asks the Commission to integrate the outermost regions fully into the trans-European transport, energy and telecommunications networks; 73. Recalls the need to make the sustainable energy autonomy of the ORs a priority; underlines that the ORs benefit from numerous advantages with regards to the development of renewable energies, energy efficiency and the circular economy; 74. Points to the significant potential of developing research and innovation activities for a solid and sustainable development; calls for the ORs to be given better access to the ESI Funds and Horizon 2020, in order to better connect their universities, research centres and innovative companies, thus making them more attractive and promoting greater exchange between people and institutions, not only within the outermost regions, but also with the European continent and third countries; 75. Points out the central role played by SMEs in the outermost regions with regard to economic and social development; calls on the Commission, therefore, to take better account of the situation of the ORs within the framework of the COSME ***programmes***, or the EU employment and social innovation ***programme*** (EaSI); 76. Considers that exchanges and cooperation between the ORs and neighbouring third countries in the fields of research and innovation, culture and education should be further promoted so as to promote their regional integration; 77. Welcomes the fact that the new Erasmus+ ***programme*** encourages the mobility of students and youth entrepreneurs from the ORs by providing for the maximum amount of aid; calls for similar provisions to be included in the Creative Europe ***programme***; wishes, however, for improvement in the way the common characteristics of the outermost regions are taken into account within the framework of the Erasmus ***programme***, including through the promotion of exchanges between outermost regions; Deplores the fact that in spite of recital 37 of the Erasmus+ regulation, which states that ‘the constraints imposed by the remoteness of the ORs and the OCTs should be taken into account when implementing the ***Programme***’, the amounts of the Erasmus travel allowances are often insufficient to cover the real costs of travel to the mother country for students receiving the allowance who come from the outermost regions; 78. Calls on the Commission to extend the new mobility instrument targeting young people,

‘Move2Learn, Learn2Move’ to European citizens living in the ORs and to adjust the amounts paid to cover the travel costs offered to them to meet the real costs involved in travelling between the ORs and continental Europe; welcomes the Commission’s decision not to restrict this instrument to travel by rail only, which would marginalise young people from overseas; 79. Notes that the Natura 2000 ***programme*** is not applicable to French ORs although they enjoy extraordinary biodiversity but are hit particularly hard by the effects of climate change; calls, therefore, for specific protection mechanisms to be set up and for the BEST preliminary action to be put on a permanent footing by creating a sustainable mechanism for funding projects on biodiversity, the promotion of ecosystem services and adaptation to climate change in European overseas countries and territories; 80. Suggests that an impact study be carried out regarding the possibilities of applying the Natura 2000 ***programme*** to the French ORs, with a view to establishing the most appropriate tools for the protection of the biodiversity and environment of these regions; 81. Recalls that the mid-term review of the EU Biodiversity Strategy published by the Commission in October 2015 and mentioned by the European Court of Auditors in the Special Report No 1/2017 concluded that, although significant progress has been made since 2011 in implementing the measures under Objective 1, the most significant challenges remain the completion of the marine element of the Natura 2000 network and the guarantee of effective management of the sites and funding needed to support the Natura 2000 network, both of which are important factors for ORs; 82. Recalls that the European Court of Auditors in the Special Report No 1/2017 considered that significant progress was needed from the Member States and further efforts by the Commission to better contribute to the ambitious objectives of the EU's biodiversity strategy for 2020; 83. Recalls that the European Court of Auditors in the Special Report No 1/2017 considered that ‘Further efforts are needed to implement the Natura 2000 network in order to fully exploit its potential’; 84. Reiterates the role that better internet connectivity must play in territorial cohesion and in promoting equal opportunities, creating jobs and improving people’s living standards in the ORs; 85. Invites the Commission to pay attention to the specific nature of the ORs when addressing matters relating to digital network coverage; 86. Calls for the creation of a specific POSEI-type ***programme*** for transport to promote the territorial, social and economic cohesion of the regions and to reduce the isolation, or double isolation, of some ORs; stresses that this ***programme*** should provide for support for the transport of people and goods between the ORs and the continent, within the ORs themselves and between ORs that are close to each other, such as the Azores, Madeira and the Canary Isles; highlights that this ***programme*** should also promote trade between these regions; 87. Emphasises that the outermost regions are important tourist areas and that investment in a high-quality, affordable transport system is essential, particularly with regard to the internal market; 88. Calls on the European Union to commit decisively to making the ORs internationally accessible, through transport routes and infrastructure, not only to the European continent but also to neighbouring third countries and the rest of the world; 89. Calls for a genuine European industrial strategy to be deployed in the ORs, generating jobs that cannot be outsourced, and based on the capacity of businesses to consolidate their local roots; 90. Considers that the ORs could constitute prime areas for introducing pilot projects for measures to be applied horizontally across the Member States; o o o 91. Instructs its President to forward this resolution to the Council, the Commission, the Member States and their regions and the Committee of the Regions.

**Load-Date:** August 21, 2017

**End of Document**



[***Anglo Asian Mining PLC Final Results -2-***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SD8-4PK1-JCXB-215R-00000-00&context=1516831)

London Stock Exchange Aggregated Regulatory News Service (ARNS)

May 24, 2018 Thursday 7:00 AM GMT

Copyright 2018 London Stock Exchange All Rights Reserved



**Length:** 1630 words

**Body**

The Company's main operation is located at the village of Gedabek in north-west Azerbaijan. The economy of the village and the surrounding area has benefitted enormously over the years from our operations. Gedabek village has been transformed with the construction of much new infrastructure and many new buildings including a new civic centre. New shops and restaurants are opening in the village. The Company takes its corporate and social responsibilities very seriously and in our 2017 annual report we describe some of our initiatives to help the local community. These include improving local water supplies, ***agricultural*** initiatives, sporting enterprises and education with the construction of a kindergarten. Including contractors, our operation now employs over one thousand people in the local area.

The Gedabek site is now connected to the national electricity power grid, and together with good road access, this provides Gedabek with excellent infrastructure. The financial benefits of our investments in infrastructure were evident in 2017 with fuel and electricity costs $2 million lower in total than 2016 due to the connection to the power grid. The Company's health and safety record continues to improve with a reduction in the lost time injury rate in 2017. We also expanded the health, safety and environmental ("HSE") department in 2017.

We undertook significant geological exploration in 2017 as described in the ***Strategic*** Report below and in March 2018 we announced a significant three-year geological exploration ***programme***. This will build upon previous geological work and includes near mine, brownfield and greenfield exploration. In 2018, it is anticipated that 12,000 metres of reverse circulation, 17,500 metres of surface core and 14,000 metres of underground core drilling will be carried out. A heli-borne electromagnetic survey is also ***planned*** covering the entire Gedabek contract area and the further potential of Gosha and Ordubad will be investigated. The expected cost of the ***programme*** in 2018 is around $6 million, which will be funded from internal resources. Gedabek has numerous known mineral occurrences and our existing mines have further development potential. We have also previously made significant finds of commercially exploitable minerals. We therefore believe this ***programme*** has the potential to significantly add value to your Company.

Dividend

In order to reward shareholders following the significant reduction in debt and anticipated surplus cash generation, the Company is currently preparing a ***plan*** for the payment of dividends. There are some legal and financial issues requiring consideration before payment of a maiden dividend and the board is currently working on these. The board will announce a dividend policy as soon as practical and, in any event, an announcement is expected to be made no later than the end of quarter three 2018.

Outlook

It is with continued optimism that I look forward to 2018 and beyond. During the course of 2017 and early 2018 we have opened a new mine and added to the Company's resources. We have also carried out several initiatives to maintain and increase production from our existing mines and have embarked on a three-year exploration ***programme*** to further explore and develop the potential of Gedabek. This progress has enabled us to target significantly higher production for 2018 compared to the previous two years and we are on track to achieve this target. It is also building on our strong platform for sustained growth in production and development.

The Group has a production target for 2018 of between 78,000 ounces and 84,000 GEOs, an increase of over 13 per cent. compared to total production of 71,461 GEOs in 2017. This includes between 64,000 ounces and 70,000 ounces of gold and between 2,100 tonnes and 2,300 tonnes of copper. I look forward to updating shareholders on our progress over the remainder of 2018.

Appreciation

I would like to take this opportunity to thank our Anglo Asian employees, our partners, the Government of Azerbaijan, advisers and fellow directors for their continued support as we continue to build the Company into a leading and sustainable gold, copper and silver ***producer*** in Azerbaijan and Caucasia. I would also like to especially thank our shareholders for their invaluable support as we look forward to a successful 2018.

Khosrow Zamani

Non-executive chairman

Market Abuse (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

For further information please visit [*www.angloasianmining.com*](http://www.angloasianmining.com) or contact:

Anglo Asian Mining Tel: +994 12 596

Reza Vaziri plc 3350

----------------- ------------------- ------------------

Anglo Asian Mining Tel: +994 502 910

Bill Morgan plc 400

----------------- ------------------- ------------------

Anglo Asian Mining Tel: +994 502 916

Stephen Westhead plc 894

----------------- ------------------- ------------------

Ewan Leggat SP Angel Corporate Tel: +44 (0) 20

Finance LLP 3470 0470

Nominated Adviser

and Broker

----------------- ------------------- ------------------

Soltan Tagiev SP Angel Corporate Tel + 44 (0) 20

Finance LLP 3470 0470

----------------- ------------------- ------------------

Susie Geliher St Brides Partners Tel: +44 (0) 20

Ltd 7236 1177

----------------- ------------------- ------------------

Lottie Wadham St Brides Partners Tel: +44 (0) 20

Ltd 7236 1177

----------------- ------------------- ------------------

Competent Person Statement

The information in the announcement that relates to exploration results, minerals resources and ore reserves is based on information compiled by Dr Stephen Westhead, who is a full time employee of Anglo Asian Mining with the position of Director of Geology & Mining, who is a Fellow of The Geological Society of London, a Chartered Geologist, Fellow of the Society of Economic Geologists, Member of The Institute of Materials, Minerals and Mining and a Member of the Institute of Directors.

Stephen Westhead has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Stephen Westhead consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Stephen Westhead has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking, to qualify as a "competent person" as defined by the AIM rules. Stephen Westhead has reviewed the resources and reserves included in this announcement.

The information in this announcement that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Stephen Westhead, a Competent Person who is a Member or Fellow of a 'Recognised Professional Organisation' (RPO) included in a list that is posted on the ASXwebsite from time to time (Chartered Geologist and Fellow of the Geological Society and Member of the Institute of Material, Minerals and Mining). Dr. Stephen Westhead is a full-time employee of the Company.

***Strategic*** report

Principal activities

The principal activity of Anglo Asian Mining PLC (the "Company") is that of a holding company and a provider of support and management services to its main operating subsidiary R.V. Investment Group Services LLC. The Company, together with its subsidiaries (the "Group"), owns and operates gold, silver and copper ***producing*** properties in the Republic of Azerbaijan ("Azerbaijan"). It also explores for and develops other potential gold and copper deposits in Azerbaijan.

The Group has a 1,962 square kilometre portfolio of gold, silver and copper properties in western Azerbaijan, at various stages of the development cycle. The Group's primary operating site is Gedabek, which is the location of the Group's main gold, silver and copper open pit mine, the Ugur open pit mine and Gadir, an underground mine. The Group's processing facilities to ***produce*** gold doré and copper, silver and gold concentrates are also located at Gedabek. Gosha, the Group's second underground gold and silver mine, is located 50 kilometres away from Gedabek. Ordubad, the Group's early stage gold and copper exploration project is located in Nakhchivan, South West Azerbaijan.

Overview of 2017 and 2018 production target

In early 2017, a wide-ranging ***strategic*** review of Gedabek was completed in response to the discovery of the Ugur gold deposit and the decreasing gold grade of ore mined in the main open pit. As a result of this ***strategic*** review, several initiatives to ensure sustainable long-term production at Gedabek were undertaken in 2017:

- A temporary reduction of ore production from both the Gedabek main open pit and the Gadir underground mine, in order to carry out exploration, ore zone definition and production optimisation. Any ancillary ore mined during this time was stockpiled for later processing.

- Development of the Ugur deposit so that mining could commence from an open pit before the end of the year.

- Processing of the Company's extensive stockpiles of ore whilst mining was suspended, with the flotation and agitation leaching plants reconfigured to treat the high copper content of the stockpiled ore to maintain production.

**Load-Date:** May 24, 2018

**End of Document**



[***The rise - and potential - of certified transitional organic in US***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PHY-32V1-JDNW-40J8-00000-00&context=1516831)

just-food global news

September 21, 2017 Thursday 4:13 PM GMT

Copyright 2017 Aroq Limited All Rights Reserved



**Length:** 1096 words

**Byline:** Victor Martino

**Body**

Sales of organic food in the US continue to be robust but a limit to the growth of the industry is the gap between demand and the supply of ingredients and raw products. just-food's US columnist, Victor Martino, says the growth of the US organic industry has prompted the sector to look at a new designation, the so-called "certified transitional" organic, which he argues can grow into a real segment in the category.

The growth in consumer demand for organic food products in the US is ushering in a new but related player: certified transitional organic.

The "certified transitional" designation, which was put into effect this year by the US Department of ***Agriculture***, essentially means the product bearing the designation is on the way to becoming organic.

At its core, certified transitional organic is an attempt to solve a growing and potentially vexing problem for food companies in the US, ranging from global US-based packaged foods titans like Kellogg and General Mills, to more moderate and smaller-sized national and regional food companies and brands in the organic foods sector. That problem is the most basic of priorities in the food industry - adequate supply. The growth of organic acreage in the US has in recent years struggled to keep pace with demand for organic products and increasing amounts of imports continue to fill the gap.

It is also, however, a legitimate marketing attempt by packaged foods companies to create a new segment around the popular organic foods industry and movement.

Under USDA rules, it takes three years of organic farming and regulatory compliance, which includes regular inspections, for a farm to become eligible for organic certification. This three-year period results in increased operating costs and lower yields for farmers because the use of chemical fertilisers, pesticides, fungicides and insecticides is prohibited.

Many if not most US farmers find the long-term play of organic certification not worth it, even though once certified as organic they can sell their crops for a significant premium over conventionally grown.

Unlike the certified organic seal, which is administered by the USDA, the certified transitional seal is offered and administered through a partnership between the department and US industry body the Organic Trade Association. Using standards developed by the OTA, the National Certified Transitional ***Program*** provides oversight to approved "accredited organic certifying agents" offering transitional certification to ***producers***.

The most prominent player in certified transitional right now is Kellogg with its Kashi brand cereals and snack food products. Kashi's moves in the area pre-date the National Certified Transitional ***Program*** (which was launched in January) and the business works with another third-party certifier, Quality Assurance International.

Earlier this summer, I met up with a group of Kashi employees in Modesto, California, in the heart of the San Joaquin Valley, the largest ***agricultural***-***producing*** region in the world.

The employees stopped off in Modesto as part of a multi-state bicycling tour, during which they were promoting Chewy Nut Butter Bars, a new line of Kashi certified transitional snack bars, made with almonds and launched this summer. The almonds are grown by a farmer in the Modesto region who, with the help of Kellogg, transitioned some of his almond orchard acreage into transitional organic.

Kellogg also has worked with farmers in the Midwest on some of its Kashi brand cereals, particularly its Dark Cocoa Karma variety, which the company is heavily promoting as certified transitional along with the Chewy Nut Butter Bars.

Kellogg is not the only big food company bullish on transitional organic. General Mills, for example, has made a significant investment in farmland that is being transitioned to organic. It has ***plans***, currently under wraps, to launch a number of products under one or more if its natural and organic brands - Annie's and Cascadian Farm are two good bets - in the near future.

Other natural and organic packaged foods companies, such as California-based rice company and grower Lundberg Family Farms, which is a leader in certified transitional, have products on the market, with ***plans*** to launch additional more items.

From a marketing and sales perspective, certified transitional organic offers challenges and opportunities to packaged foods companies.

The top two challenges are, one, differentiating certified transitional organic from organic and, two, communicating that difference in an understandable and meaningful way to the consumer. So far I have not seen either being done. However, it is very early in the game, so that is expected and not yet a problem. It does have to be achieved though in order for certified transitional organic to be a success.

There are multiple opportunities for packaged foods companies with certified transitional organic. Chief among them is retail price.

The main barrier preventing organic from capturing a significantly higher percentage of total US retail food sales - the sector represents an estimated 5-6% currently - is what is called the organic premium, simply meaning the considerably higher retail price-point organic products command over identical and similar conventional items on store shelves.

Certified transitional organic has a lower cost than certified organic, thereby offering the potential to provide higher sales volume on a per-item (but not overall as a category) basis. For example, a certified transitional organic cereal priced 20% lower than an identical organic item has the potential to move more unit volume per-store, per-week than its higher-priced organic twin. Since unit-movement is so important, this could offer an incentive for packaged foods makers to explore certified transitional, along with being an incentive for food retailers to create shelf-space for items in the new segment.

Consumers will make the final determination as to the ultimate success or failure of certified transitional organic. However, it offers both the opportunity for building a new segment around "organic", along with serving as an incentive to encourage farmers to transition a portion or all of their farmland to organic. Certified transitional organic has the potential to grow into a real segment alongside organic.

just-food columnist Victor Martino is a California-based ***strategic*** marketing and business development consultant, analyst, entrepreneur and writer, specialising in the food and grocery industry. [*victormartino415@gmail.com*](mailto:victormartino415@gmail.com) / [*www.twitter.com/nsfoodsmemo*](http://www.twitter.com/nsfoodsmemo).

**Load-Date:** September 21, 2017

**End of Document**



[***Ukraine: Lviv Region media highlights 28 Apr-4 May 18***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S9K-KC01-DYRV-301P-00000-00&context=1516831)

BBC Monitoring Kiev Unit

Supplied by BBC Worldwide Monitoring

May 12, 2018 Saturday

Copyright 2018 British Broadcasting Corporation All Rights Reserved



**Length:** 1667 words

**Body**

The following are media highlights from Lviv Region's Hazeta Po-Ukrayinsky, Vysokyy Zamok, Lvivska Poshta, Ekspres and Ratusha newspapers, Independence and Lvivska Khvylya radio stations, Lviv Regional Radio, ZIK television channel, Mediastar, Hal-Info news agency website and Vholos, ZIK, Zaxid.net and Lvivskyy Portal websites for 28 April-4 May 2018:

Political

The Ivano-Frankivsk city council has called on the parliament to adopt an "anti-oligarchic" package of laws proposed by nationalist and right-wing political forces, ZIK news agency website, owned by Lviv businessman Petro Dyminskyy, reported. The councillors said that they supported other local councils which also voted for introducing a "set of fundamental changes in the economy and the political system" of the country. In particular, the council urged the parliament to vote for laws that it says will make possible the return of offshore wealth to the Ukrainian economy, elimination of private monopolies, and return of all illegally privatised enterprises to state ownership, as well as prohibiting the privatisation of ***strategic*** enterprises and ***agricultural*** lands, and introducing a progressive tax system. The councillors noted that the laws would "put an end to oligarchs as a class" in Ukraine. (ZIK news agency website, zik.com.ua, 1151 gmt 2 May 18)

The Security Service of Ukraine (SBU) has detained in Chernivtsi Region a member of the illegal armed group Vostok of the so-called Donetsk People's Republic (DPR), Zaxid.net news website, linked to Lviv mayor Andriy Sadovyy, reported. The press centre of the SBU said that in 2014 the resident of Donetsk Region joined the illegal armed group where fought against Ukrainian government troops, fulfilled orders of separatists' leaders on guarding assigned areas on the line of contact, as well as participated in the construction of illegal checkpoints. In addition, the detainee guarded one of the deputies of the fake parliament of the DPR and took part in patrolling the building of the Donetsk regional state administration captured by separatists. (Zaxid.net website, zaxid.net, 1204 gmt 2 May 18)

On 28 April, more than 500 local residents participated in a march dedicated to the 75th anniversary of the founding of the Ukrainian SS division Halychyna (Galizien) in Lviv, ZIK reported. The march participants shouted slogans "Halychyna is a division of heroes "," Our heroes - our land " and "Remember, foreigner, a Ukrainian is a master here". The meeting was held without party symbols, however, according to the the head of the Lviv regional branch of the far-right National Corps party, Svyatoslav Siryy, representatives of volunteer battalions and nationalist organisations joined the march. "They are our heroes and we respect them. They are, first of all, Ukrainian volunteers who, when the enemy attacked, voluntarily joined the division to defend their land," he said. He also added that the activists would demand the recognition of the division members as fighters for the freedom of Ukraine at the state level. (ZIK news agency website, zik.com.ua, 1847 gmt 28 Apr 18)

Lviv journalist and blogger Roman Onyshkevych has said that Ukrainians should not honour the Ukrainian SS division Halychyna (Galizien), ZIK reported. "I do not consider the SS division Halychyna as heroic. But I consider as heroes all those who with weapons in hands and their own understanding of that time died for their land. Let us honour Ukrainians, not armies, because honouring someone else's army will always be a reverence of an alien army for someone. There was no single Ukraine at that time and a Ukrainian from one army fought against a Ukrainian from another army. The support of today's heroes of the war in Donbass will be the best honouring of the heroes of the past," the journalist noted. (ZIK news agency website, zik.com.ua, 0948 gmt 1 May 18)

Energy

On 3 May, a rooftop solar power plant was opened in Kamyanka-Buzka region of Lviv Region, Vholos news website reported. The press service of the Lviv regional state administration said that the power plant consisted of 1880 photovoltaic solar panels installed on the rooftops of one of the local enterprises. More than 14m hryvnyas (530,000 dollars) was investmed in the construction of the plant. "The plant will increase the share of alternative energy and reduce the use of hydrocarbon energy sources in the production of electricity in the region. The ***planned*** approximate amount of electricity to be generated by the plant is about 549,945 kW/h per year," the press service said. The administration informed that it was the eighth rooftop power plant launched in Lviv Region. The total power capacity of all the rooftop solar power plants in the region was almost 28 MW. There are ***plans*** to open another four rooftop power plants in Lviv Region in 2018. (Vholos website, vgolos.com.ua, 1255 gmt 3 May 18)

Military

On 3 May, a delegation of generals, admirals and senior officers of the US Army who were participants of the CAPSTONE Military Leadership ***Program*** visited the International Centre for Peacekeeping and Security of the Lviv Ground Troops Academy in Lviv Region, Lvivskyy Portal website, run by the Lviv regional council, reported. The press service of the academy said that the delegation led by US Army Admiral Mark E. Ferguson III met the head of the academy, Lt-Gen Pavlo Tkachuk. The parties discussed the perspectives of further training of Ukrainian servicemen within the framework of the Joint Multinational Training Group-Ukraine (JMTG-U). "This visit is very important for the academy and the Ukrainian Armed Forces in general, as the graduates of the CAPSTONE ***program*** will have a direct influence on the adoption of important military and political decisions in the near future," Tkachuk said. Following the meeting, the foreign guests also got acquainted with the educational and material resources of the centre and its infrastructure. (Lvivskyy Portal website, portal.lviv.ua, 1529 gmt 3 May 18)

Training for servicemen from the Ukrainian Armed Forces Military Police (VSP) under the Military Law and Order Service (MLOS) training ***program*** with participation of Canadian military instructors has finished at the VSP's training centre in Lviv, Hal-Info regional news agency website reported, quoting the Defence Ministry of Ukraine. As part of the training course, the servicemen learned the work of a military policeman at the crime scene, conducting a body search and arrest of a suspect, the use of force, as well as the provision of first aid and carrying out evacuation of the wounded. "The servicemen have a sufficient level of knowledge and practical skills. Their confident actions during the practical part of the final exam proved that. The training is carried out according to modern standards with the participation of Ukrainian and foreign experts," the head of the combat and special training department at the VSP's Main Directorate, Oleksandr Semenyuk, said. (Hal-Info news website, galinfo.com.ua, 1222 gmt 29 Apr 18)

Three-day training for heads of logistics centres and commanders of automobile battalion of the Ukrainian Armed Forces' Logistics Department has been held at the International Centre for Peacekeeping and Security of the Lviv Ground Troops Academy, Lvivskyy Portal reported, quoting the press service of the academy. During the theoretical phase of the training, its participants conducted an analysis of the organisation of logistics during the Donbass security operation and considered ways to improve the work of logistics units in the Ukrainian army. Within the framework of the practical phase, the servicemen got acquainted with the organisation of a bilateral battle at a training complex with the use of the Multiple Integrated Laser Engagement System (MILES). In addition, the officers met experts on military logistics from the USA and Canada who informed their Ukrainian colleagues of the peculiarities of logistics in armies of NATO countries. (Lvivskyy Portal website, portal.lviv.ua, 1324 gmt 28 Apr 18)

Narcotics

The Security Service of Ukraine (SBU) in Rivne Region in conjunction with Polish law enforcement agencies has arrested six members of an organised criminal group engaged in smuggling large batches of tablets containing pseudoephedrine from the EU to Ukraine, ZIK news agency website, owned by Lviv businessman Petro Dyminskyy, reported. It quoted the spokesman of the SBU in Rivne Region, Inna Ilyuchok, as saying they had established that the offenders regularly transported from Poland to Ukraine raw materials for manufacturing amphetamine which they sold to clandestine laboratories ***producing*** narcotics in various regions of Ukraine. During the first stage of the joint operation, law enforcers detained two members of the group at the Yahodyn international checkpoint at the Ukrainian-Polish state border and seized almost 34,000 drug-containing tablets. Later, the SBU arrested the organiser and other members of the group while they received another batch of tablets and attempted to sell it. "The criminals smuggled almost 200,000 tablets every month. This is equivalent to 12 kg of pure pseudoephedrine. The cost of the tablets on the 'black market' is about 6m hryvnyas [228,136 dollars]," the SBU said. (ZIK news agency website, zik.com.ua, 1456 gmt 3 May 18)

The police in Lviv Region have busted a criminal group engaged in ***producing*** and selling narcotics, Vholos news website reported. The press service of the Interior Ministry's Lviv regional directorate said that the men organised a clandestine laboratory in which manufactured amphetamine. During searches in detainee's homes the law-enforcers seized laboratory equipment and raw materials for ***producing*** amphetamine, as well as pistols and cartridges of different calibres. The value of the seized narcotics on "the black market" is more than 300,000 hryvnyas (11,000 dollars). (Vholos website, vgolos.com.ua, 1226 gmt 28 Apr 18)

Source: Lviv region media highlights 4 May 18

**Load-Date:** May 12, 2018

**End of Document**



[***How the Biggest Companies Score on Water Sustainability***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S18-H1N1-F0YC-N281-00000-00&context=1516831)

Impact News Service

April 3, 2018 Tuesday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 1213 words

**Body**

Los Angeles CA: Pacific Council on International Policy has issued the following press release:

Cape Town is expected to run out of water in a few months. Just plain out.

California endured five years of drought with the help of urban areas cutting back water consumption and farmers fallowing fields. During 2015 alone, the state’s ***agriculture*** sector lost nearly $2 billion and 10,000 farmworker jobs.

The 2012 drought in the Midwest dented the corn harvest by 15 percent and caused a global spike in corn prices.

The risks from water insecurity span the globe and have deep economic impacts, as many in the business sector have come to understand. Without water to grow alfalfa for cow forage, you can’t ***produce*** milk and beef. Without water to cool data centers, the servers that power our smartphones and computers won’t run.

    More than half of the largest U.S corporations now actively manage their water use and water resources, according to a recent Ceres analysis of more than 600 publicly traded U.S companies.

Some companies are catching on. More than half of the largest U.S corporations now actively manage their water use and water resources, according to a recent Ceres analysis of more than 600 publicly traded U.S companies that represent 80 percent of the country’s market capitalization.

The report, 'Turning Point: Corporate Progress on the Ceres Roadmap for Sustainability,' scores companies on 20 key expectations laid out in 'The Ceres Roadmap for Sustainability' to assess how seriously and effectively they are responding to sustainability challenges—including climate change, human rights abuses, and, of course, the global water crisis.

When it comes to water, the report found that 55 percent of the companies have at least general commitments to manage water resources through efforts such as water use efficiency.

On the flip side, 45 percent of the assessed companies do not disclose any evidence that they manage water-related impacts in any formal way. And only 20 percent of the 600 have set time-bound, quantitative targets to manage impacts to water resources.

    In the aftermath of California’s drought, we’re seeing positive change, with water-efficiency efforts multiplying and new watershed restoration and recharge projects popping up.

Every business depends on water in some way, so it’s short-sighted that all companies don’t work to manage water resources. In the aftermath of California’s drought, though, we’re seeing positive change, with water-efficiency efforts multiplying and new watershed restoration and recharge projects popping up.

Many of the water stewardship leaders are based in California or have significant operations there.

One is Clorox, the century-old Oakland, California-based company that has expanded its products from cleaning supplies to consumer household and healthcare products. Clorox was noted for making water stewardship a top executive responsibility. Its sustainability steering committee includes five C-suite executives and two vice presidents. Water resource management is seen—and experienced—by Clorox as a business issue and, accordingly, the Clorox Global ***Strategic*** Sourcing Group is responsible for water efficiency and protection in the supply chain.

Yet Clorox also recognizes the social need for clean water and that its main product—bleach—can be instrumental in providing it. Clorox donates bleach to communities in the developing world for use in purifying and disinfecting water collected from rivers and wells. The company figures it has helped purify water for 25,000 people who live in areas with untreated water.

    The good news in the 2018 findings of 'Turning Point' is that more and more companies understand the business imperative of addressing sustainability risks generally.

San Francisco-based Gap is one of three footwear and apparel companies that are held up as prioritizing water management within their supply chains. Apparel and footwear companies use a lot of water for the manufacturing and processing of fabric and leather. Gap, along with Nike and L Brands, set targets to mitigate the impact on local water sources of the chemicals used in their dye houses and laundries. Recognizing the social impact its water use has on communities and workers’ lives, Gap also launched a Women + Water initiative two years ago across its supply chain operations, helping to provide safe, treated water and sanitation access to people living in the communities where Gap products are made.

The Coca-Cola Company, which operates several facilities in California and in numerous locations the world over, also had global social impacts on water in mind when it launched a massive watershed-restoration ***program***, promising to replenish the equivalent amount of water it uses in its products back into watersheds or community water systems. It achieved that goal in 2016 ahead of schedule. The watersheds it replenished and helped restore include those that are home to bottling operations in Los Angeles County and the city of San Leandro.

Another company operating in California that 'Turning Point' highlights for its water-management efforts is Xylem, which develops and sells water-saving technologies used by many California water districts.

    Companies not only need to understand their water impacts but to develop and prioritize water stewardship ***plans*** to help solve local needs throughout their value chain.

Xylem set a goal four years ago to reduce water use intensity (or improve water efficiency) in its operations by 25 percent by 2019. To do so it created an eco-efficiency tool to use with other water-measurement tools to gauge water availability and demand factors nearby, taking in population, biodiversity, sanitation, and watershed health. All this helped it develop a water-management strategy tailored to regional needs.

In addition to their individual actions, Gap, the Coca-Cola Company, Xylem, and 24 other major corporations operating in California became advocates of water conservation and protection policies, joining Ceres’ Connect the Drops network. Connect the Drops companies both commit to their own water stewardship and engage with California lawmakers on key legislative initiatives around sustainable water management and helping all Californians get access to safe drinkable water.

The good news in the 2018 findings of 'Turning Point' is that more and more companies understand the business imperative of addressing sustainability risks generally. Then again, the need is greater than ever before as more than 40 percent of the world’s population faces water scarcity and the United Nations estimates that 5 billion people will face water shortages by 2050 because of climate change. Companies not only need to understand their water impacts but to develop and prioritize water stewardship ***plans*** to help solve local needs throughout their value chain.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Kirsten James oversees the California policy ***program*** at Ceres, a nonprofit sustainability advocacy organization. She recently spoke at our inaugural Water Conference.

This article was originally published by Water Deeply.

The views and opinions expressed here are those of the author and do not necessarily reflect the official policy or position of the Pacific Council or Water Deeply.

**Load-Date:** April 3, 2018

**End of Document**



[***Register of Commission documents:DRAFT REPORT on the implementation of the 7th Environment Action Programme Document date: 2017-10-26 ENVI\_PR(2017)612036 Draft reports***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R5J-9J41-JDG9-Y3C0-00000-00&context=1516831)

Impact News Service

December 12, 2017 Tuesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 4227 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

PR\1135951EN.docx PE612.036v01-00 EN United in diversity EN European Parliament 2014-2019 Committee on the Environment, Public Health and Food Safety 2017/2030(INI) 26.10.2017 DRAFT REPORT on the implementation of the 7th Environment Action ***Programme*** (2017/2030(INI)) Committee on the Environment, Public Health and Food Safety Rapporteur: Daciana Octavia Sârbu PE612.036v01-00 2/11 PR\1135951EN.docx EN PR\_INI\_ImplReport CONTENTS Page EXPLANATORY STATEMENT - SUMMARY OF FACTS AND FINDINGS ..................... 3 MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION ............................................ 8 PR\1135951EN.docx 3/11 PE612.036v01-00 EN EXPLANATORY STATEMENT - SUMMARY OF FACTS AND FINDINGS Introduction The 7th Environment Action ***Programme*** (“7th EAP”) sets out binding objectives for the European Union and its Member States to achieve in the field of environment by 2020. This report assesses the implementation of the 7th EAP so far and the likelihood of achieving the ***Programme***’s objectives by 2020. It offers recommendations for improved implementation and suggestions for any future EAP. Key findings1 The scope of the “7th EAP” is relevant to current needs in the field of environment. The ***Programme*** has a moderate influence on environment and climate policies and provides ***strategic*** guidance at both EU and Member State level.

It helps to establish coherence between different policies as well as long-term vision. Progress towards the objectives of the 7th EAP is mixed, and there is considerable uncertainty as to whether the 2020 objectives will be achieved. Notwithstanding this uncertainty and the limitations of various indicators, the outlook suggests that most sub-objectives under objective 1 (natural capital) will not be met. The prospects for achieving good results in objective 2 (low carbon economy and resource efficiency) are much better. The outlook for objective 3 (risks to health and well-being) is difficult to assess because of a lack of data. Although there is general coherence between the 7th EAP and other high level EU policy instruments, there are some important exceptions. In particular, the Common ***Agricultural*** Policy (CAP) was regularly identified as lacking coherence with the 7th EAP. The level of funding available for 7th EAP actions is considered to be inadequate, although this is more of a problem at Member State than EU level. There are considerable difficulties in securing investment for environment and climate policy, although at EU level this is often the result of poorly administered funds rather than a lack of money. The 7th EAP was widely considered by stakeholders to provide EU added value, and to have a positive impact on citizens, nature and - albeit to a lesser extent - on economic actors. There is strong support among stakeholders for an 8th EAP. Paradoxically, although many suggestions have been put forward for new sub-objectives in a future EAP, stakeholders also considered that such a ***programme*** should be simpler and more focussed than the existing one. More and better indicators would improve monitoring and feedback. 1 The findings are based on the following sources: • Environmental Indicator Report (European Environment Agency, first edition, December 2016); • Environmental Implementation Review (European Commission, first edition, February 2017); • Relevant reports of the European Court of Auditors; • The results from a targeted stakeholder consultation on the implementation of the ***Programme*** (European Parliamentary Research Service - EPRS, May-September 2017); • The European Implementation Assessment ***produced*** by the European Parliamentary Research Service (DG EPRS). PE612.036v01-00 4/11 PR\1135951EN.docx EN Priority objective 1: to protect, conserve and enhance the Union’s natural capital This is the one of the most problematic objectives in terms of implementation. Despite positive past trends in some areas, indicators suggest that very few 2020 sub objectives will be met. Biodiversity loss and the poor implementation of the Birds & Habitats Directives are repeatedly identified as major obstacles to achieving the EAP’s objectives. EU funds are not well mobilised to support the management of the Natura 2000 network, and establishing the marine sites is particularly problematic. The use of Europe’s seas remains unsustainable. Priority objective 2: to turn the Union into a resource-efficient, green and competitive low-carbon economy There are encouraging past trends in relation to resource efficiency and the low carbon economy, although in the latter case this is partly a result of reduced production during the economic crisis. The transport sector is least likely to reduce carbon emissions by 2020. Waste management is the most problematic issue as regards implementation in this objective, although past trends show slight improvements in waste reduction and recycling. The EU is not yet contributing sufficiently to combatting the global problem of food waste, and the absence of a definition of food waste and a baseline from which to measure the problem remain obstacles to progress. It is unclear whether all sub-objectives will be met by 2020. Priority objective 3: to safeguard the Union’s citizens from environmental-related pressures and risks to health and well-being. The failure to implement air quality legislation in urban areas is particularly worrying given that air pollution continues to be the number one environmental cause of death in the EU. Some positive past trends are reported with regard to sulphur oxides, non-methane volatile organic compounds, ammonia and particulate matter, although reduction of nitrogen oxides has been compromised by the difference between estimated emissions and real driving emissions from diesel vehicles. Levels of ammonia remain stable despite technical measures being available to reduce them. Residential combustion of fossil fuels and transport are the main sources of particulate matter. Although the EU is unlikely to meet its own air quality standards in urban areas by 2020, it is likely to meet international obligations under the Gothenburg Protocol1. Exposure to environmental noise remains high, and achieving the 2020 sub-objective is unlikely. It is not known whether the EU will achieve its objectives to measure and reduce exposure to chemicals harmful to health and the environment, and to ensure sustainable use of pesticides. Significant progress has been made towards cleaner bathing water and the 2020 targets are expected to be met. Priority objective 4: to maximise the benefits of Union environment legislation by improving implementation The Environmental Implementation Review (EIR) provides detailed country reports and identifies implementation problems common to many or all Member States. It also describes the root causes of common problems, including ineffective coordination between authorities in Member States, a lack of administrative capacity and financing, and policy incoherence. The EIR did identify some areas where implementation has improved, notably bathing and drinking 1 The 1999 Protocol to Abate Acidification, Eutrophication and Ground-level Ozone (the ‘Gothenburg Protocol’) to the UN Convention on Long-range Transboundary Air Pollution. PR\1135951EN.docx 5/11 PE612.036v01-00 EN water. The EIR an ongoing process which includes working with the Member States to improve implementation. It is an important opportunity to make progress on key issues such as air quality, noise pollution, water management, waste management and biodiversity. The EIR has been criticised by some stakeholders for only including the Commission and Member States and not civil society actors. Priority objective 5: to improve the knowledge and evidence base for Union environment policy The knowledge base is improving in the following areas: the impacts of climate change and species loss on ecosystem services; endocrine disrupters; some of the health and environmental implications of chemicals; the cost-effectiveness of climate change adaptation methods; and nature-based solutions for urban development. Important gaps remain around environmental thresholds (tipping points), the circular economy paradigm, the combined effects of chemicals, nano-materials, hazard identification methods, micro plastics impacts, and the interaction between systemic risks and other health determinants. Many stakeholders report that available knowledge is not being used by policy makers or being transferred to actors responsible for implementation. Affected areas include: food consumption and waste; endocrine disrupters; bioenergy; the CAP; energy and climate targets; urban ***planning*** and design; and impacts of consumption patterns. A lack of political will sometimes prevents the incorporation of knowledge into policy, although regulatory barriers and a lack of resources are also relevant factors. A number of indicators used to track progress towards the EAP’s objectives suffer from limitations and prevent a full analysis of the situation. More and better indicators should be a feature of any future EAP in order to improve monitoring and implementation. Priority objective 6: to secure investment for environment and climate policy and address environmental externalities Through a series of special reports, the European Court of Auditors identified multiple problems with the implementation of this objective. EU funding has not achieved the desired results in the following areas: securing ETS market integrity; promoting environmental sustainability of aquaculture and ***agriculture***; improving urban waste water treatment; promoting water ways and rail freight; and supporting the Natura 2000 network. In the cases of cross compliance with the CAP and benefits from investment in biodiversity, it was not possible to make an assessment. In some cases, the implementation of objectives 1 and 2 is being undermined by poorly administered financing rather than a lack of money. Conversely, improvements in drinking water quality (objective 2) were attributed to sound investment of EU funds and further progress was prevented by a lack of financing. Priority objective 7: to improve environmental integration and policy coherence Although there is general coherence between other policies and the EAP, there are some notable exceptions. The CAP presents a particular challenge. Intensive ***agriculture***, encouraged by the CAP, has not reduced pressures on natural capital. Rather, it has increased the chemical burden on health and the environment and depleted the resources on which ***agriculture*** depends, as well PE612.036v01-00 6/11 PR\1135951EN.docx EN as obstructing the implementation of the Birds and Habitats Directives and Biodiversity Strategy. Greening initiatives are not thought to have brought sufficient benefits. In the past, cohesion policy has supported infrastructure projects which have been environmentally damaging, but recent improvements are changing this. The Common Fisheries Policy (CFP), previously seen as incoherent with EAP objectives, has been improved but will need to be better implemented to realise its potential. TEN-T was identified as posing a challenge in regards to objective 2 (resource efficiency and climate change). Several Member States have not ratified international agreements which are linked to objectives of the EAP, which implies some incoherence with national policies. The Sustainable Development Goals (SDGs) are mainly considered to be an external issue, but their implications for internal policy should be more widely acknowledged to improve coherence between the EAP and the EU’s international obligations. The European Commission has taken some positive steps in this regard. Priority objective 8: to enhance the sustainability of the Union’s cities Assessing the performance and implementation of the EAP in this objective is very challenging given the wide variety of cities in the EU and the lack of specific targets in this area. However, a limited analysis suggests that the policies of EU cities are broadly coherent with the EAP. Mixed progress was reported as regards energy efficiency, sustainable transport and mobility, sustainable urban ***planning*** and design, urban biodiversity and sustainable buildings. Priority objective 9: to increase the Union’s effectiveness in addressing international environmental and climate related challenges There are no clear trends on the effectiveness of the 7th EAP in this area and progress towards the implementation of specific initiatives appears to be mixed. The EU has promoted emissions trading schemes internationally, but has been less successful in ensuring that economic growth is achieved within the carrying capacity of the Earth. There seems to have been little progress addressing the issue of the EU’s demand for food and non-food commodities and the environmental impacts this has at international level. Conclusions and recommendations The rapporteur is of the view that the 7th EAP provides important ***strategic*** guidance for both the EU and Member States. It drives an agenda which has a positive effect on citizens and the environment, and it increases accountability. However, there are several key areas where poor implementation of the EAP is contributing to environmental degradation and posing direct health threats to citizens. These areas include: unsustainable land-use and fishing; biodiversity loss; air quality; environmental noise; waste management; and exposure to chemicals. The failure to implement legislation or make appropriate policies in these areas must be urgently addressed. Further progress towards all the objectives could be achieved by concentrating on three core themes: knowledge gaps, policy coherence, and financing. The rapporteur supports the adoption of an 8th EAP, but the immediate priority should be the implementation of existing legislation and supporting policies in the areas described above. A future EAP should focus on issues which are fundamental to environmental protection and human health, rather than adding a wide variety of new targets and sub-objectives to an already PR\1135951EN.docx 7/11 PE612.036v01-00 EN ambitious ***programme***. The rapporteur believes that citizens, nature and economic actors would all benefit further if the EAP were simpler and more focussed, and that such an approach would also facilitate better monitoring and feedback. Improving coherence with existing EU policy instruments is essential. The rapporteur extends her thanks to the EU institutions which supported the production of this draft report through various studies, and to the external stakeholders and Member States who provided extensive input via the stakeholder consultation survey. PE612.036v01-00 8/11 PR\1135951EN.docx EN MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION on the implementation of the 7th Environment Action ***Programme*** (2017/2030(INI)) The European Parliament, – having regard to Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action ***Programme*** to 2020 ‘Living well, within the limits of our planet’1 (the ‘7th EAP’), – having regard to Articles 191 and 192 of the Treaty on the Functioning of the European Union, relating to preserving, protecting and improving the quality of human health and the environment, – having regard to the European Environment Agency’s report of December 2016 entitled ‘Environmental indicator report 2016 – In support to the monitoring of the 7th Environment Action ***Programme***’, – having regard to the Commission communication of 3 February 2017 entitled ‘The EU Environmental Implementation Review: Common challenges and how to combine efforts to deliver better results’ (COM(2017)0063), and the 28 accompanying country reports, – having regard to the Commission communication of 27 May 2016 entitled ‘Delivering the benefits of EU environmental policies through a regular Environmental Implementation Review’ (COM(2016)0316), – having regard to the European Implementation Assessment study of November 2017 on the ‘Mid-term review of the implementation of the 7th Environment Action ***Programme*** (2014-2020)’ carried out by the European Parliamentary Research Service, including its Annex Study, – having regard to its resolution of 20 April 2012 on the review of the 6th Environment Action ***Programme*** and the setting of priorities for the 7th Environment Action ***Programme*** – A better environment for a better life2, – having regard to the Commission communication of 22 November 2016 entitled ‘Next steps for a sustainable European future’ (COM(2016)0739), – having regard to Rule 52 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports, – having regard to the report of the Committee on the Environment, Public Health and Food Safety (A8-0000/2017), A. whereas the 7th EAP sets legally binding objectives in the fields of environment and 1. OJ L 354, 28.12.2013, p. 171. 2 OJ C 258E, 7.9.2013, p. 115. PR\1135951EN.docx 9/11 PE612.036v01-00 EN climate change to be achieved by 2020; B. whereas the 7th EAP does not contain a mid-term review clause; whereas the report of the Committee on the Environment, Public Health and Food Safety on the implementation of the 7th EAP is an opportunity to assess this EAP’s progress and to make evidence-based recommendations for any future EAPs; C. whereas progress towards the 2020 objectives has so far been mixed: it is unlikely that objective 1 (protecting natural capital) will be met, but likely that some of the sub-objectives under objective 2 (low carbon economy and resource efficiency) will be met; it is uncertain whether objective 3 (reducing environmental pressures and risks to human health) will be met; D. whereas much uncertainty exists with regard to implementation due to a lack of indicators and limitations of existing indicators; whereas knowledge gaps continue to hinder progress on three levels: understanding of risk; formation of appropriate policy to manage and reduce risk; and monitoring the effectiveness of policies; E. whereas knowledge often exists but is not used in policy-making or transferred to the parties responsible for implementation; whereas this is often due to a lack of political will and competing interests which are not perceived to be consistent with the EAP or environmental policy goals in general; F. whereas incoherence between other high-level EU policy instruments and the EAP is undermining the achievement of the ***programme***’s objectives; G. whereas there is inadequate funding at some levels for the proper implementation of the 7th EAP; whereas funding at EU level has sometimes failed to deliver the expected results and this has, in multiple cases, been the result of poorly administered financing rather than a lack of money; H. whereas the scope of the 7th EAP is relevant to current needs in the field of environmental policy, although many stakeholders recommend the addition of new sub-objectives to increase the ***programme***’s relevance in the future; I. whereas stakeholders also express a preference for a less complex, more focused EAP; J. whereas there is general support for an 8th EAP; Main conclusions 1. Considers that the 7th EAP has a positive influence on environmental policies at EU and Member State level, with benefits for citizens, nature and economic stakeholders; 2. Welcomes the positive past trends in regard to numerous sub-objectives of the 7th EAP and the encouraging outlook for some of the 2020 objectives; 3. Regrets that the objectives relating to natural capital are unlikely to be met; 4. Notes that there is considerable uncertainty regarding the progress towards objectives for human health and well-being; underlines that knowledge gaps and limited indicators PE612.036v01-00 10/11 PR\1135951EN.docx EN hinder policy development and monitoring; 5. Is concerned that specialised knowledge is not always fully used in policy-making or transferred to the parties responsible for implementation; highlights the examples of bioenergy, endocrine disrupters and food production as areas where evidence of risks to human health and the environment has been sidelined; 6. Considers that coherence with other high-level EU policy instruments is fundamental to achieving the objectives of the 7th EAP; 7. Welcomes the improvements in the common fisheries policy (CFP) and cohesion policy, which have increased coherence with the 7th EAP; regrets, however, that despite improvements to the regulatory framework the CFP continues to suffer from poor implementation; 8. Recognises that the common ***agricultural*** policy (CAP) presents challenges to the achievement of the EAP’s objectives, particularly as regards resource-intensive production and biodiversity; 9. Underlines that protecting and enhancing food security in the long term by preventing environmental damage should be a key priority of the CAP; 10. Recalls that in the context of climate change and a growing world population, the rising demand for diets rich in animal protein is exerting significant environmental pressures on ***agricultural*** land and increasingly fragile ecosystems; underlines that diets with excessive amounts of animal fat are increasingly linked to the non-communicable disease burden; 11. Welcomes the Commission’s 2016 commitment to mainstream the Sustainable Development Goals (SDGs) into EU policies and initiatives; 12. Welcomes the improvements brought by EU-funded projects as regards drinking water quality; regrets the missed opportunities to deliver better results from EU funds in other areas related to the EAP; 13. Notes that the biggest environmental threats to health are most evident in urban areas and will directly affect more of the EU’s population by 2030; 14. Welcomes the progress on reducing certain atmospheric pollutants but regrets the persistent problems with air quality, to which emissions from road transport are a significant contributory factor; Recommendations 15. Requests that the relevant EU institutions and agencies prioritise research and close knowledge gaps in the following areas: environmental thresholds (tipping points), the circular economy paradigm, the combined effects of chemicals, nanomaterials, hazard identification methods, the impacts of microplastics, the interaction between systemic risks and other health determinants, soil and land use and invasive alien species; 16. Calls for the EU institutions, as well as national and regional governments where PR\1135951EN.docx 11/11 PE612.036v01-00 EN appropriate, to make full use of available specialist knowledge about risks to the environment and human health when making and monitoring policies; 17. Asks the European Environment Agency to increase the quantity and quality of indicators used to monitor progress; 18. Calls for infrastructure projects, particularly those related to TEN-T, to fully consider environmental impacts at regional level as well as project level; notes that coherence between different environmental policies is also relevant; highlights the possible effects of hydropower on freshwater supplies and soils, and of sea-based renewable energy infrastructure on marine biodiversity; 19. Urges further reform of the CAP to incentivise a food production system which is better aligned with environmental needs and which safeguards food security now and in the future; calls for farming systems and ***agricultural*** ***produce*** with low environmental impact and/or which provide environmental services not currently supplied by the market (e.g protection of freshwater supplies and soil, natural flood defences and natural pollination) to be rewarded under a reformed CAP; 20. Calls on the Commission to significantly improve the use and administration of EU funds for the EAP’s objectives; calls for better monitoring, transparency and accountability; 21. Invites the Court of Auditors to analyse expenditure in other areas relevant to the EAP which have not been included in its analysis thus far; 22. Calls on the Commission and the Member States to support improved proposal-writing for regional and city level projects so that EU funds are more accessible, particularly as regards green infrastructure, biodiversity, and the Birds and Habitats Directives; 23. Calls on the Member States to redouble their efforts to implement air quality legislation; calls on regional authorities to provide a supporting framework, particularly with regard to urban ***planning*** and local policy-making, to improve health outcomes in some of the worst affected areas; 24. Calls on regional and local authorities to adapt city ***planning*** and infrastructure for electric vehicles as soon as possible; 25. Calls on the Commission to propose an 8th EAP which focuses on the most challenging areas of environmental policy-making including knowledge gaps, policy coherence, financing and air quality; º º º 26. Instructs its President to forward this resolution to the Council, the Commission, the European Court of Auditors, the European Environment Agency, as well as to the governments and parliaments of the Member States.

**Load-Date:** December 13, 2017

**End of Document**



[***Washington: COUNTERING IRAN'S DESTABILIZING ACTIVITIES ACT OF 2017--MOTION TO PROCEED***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NRR-RM31-JDG9-Y3NW-00000-00&context=1516831)

Impact News Service

June 8, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 25724 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 722, which the clerk will report. The senior assistant legislative clerk read as follows: Motion to proceed to Calendar No. 110, S. 722, a bill to impose sanctions with respect to Iran in relation to Iran's ballistic missile ***program***, support for acts of international terrorism, and violations of human rights, and for other purposes. Mr. SCHUMER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. CARPER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. CARPER. Mr. President, I understand that we had originally scheduled for, in about 1 minute, a vote on cloture on the new Iran sanctions bill. I understand that the cloture vote has been delayed until early this afternoon. This comes on the heels of an announcement of very sad news from Iran. I would certainly be among the first to note that some of the people in Iran, the Revolutionary Guard and some of their leadership, support terrorism. They wish ill for us and for our country. That same country had elections about 2 weeks ago, and the results of those elections were surprising, even for me, but encouraging. The results of the election found that President Rouhani, one of the leaders of reform and one of the modern elements within that country, was reelected by a resounding majority--close to 60 percent of the vote. Although the Supreme Leader thought it would be a one-on-one race for the Presidency, in spite of that, Rouhani was reelected, and we congratulate him. There were a number of municipal elections across the country, most prominently in Tehran where the hard-line mayor of Tehran has been ousted, and moderate forces seem to have made real, encouraging progress from my perspective and I think the perspective of most Americans. One of the things the Iranians do, which is troubling to me and I think to others in this country, is continue to test ballistic missiles in what we believe is in violation of the United Nations' decision. Iranians are not violating the agreement that was entered into among five nations, including the United States and Iran, roughly 2 years ago in Iran's nuclear joint agreement. They are not violating that, but they are violating other U.N sanctions. So this revised sanctions bill, which was scheduled to be debated today and maybe voted on later this week--at least the start of the debate on whether they are going to proceed to the bill--has been delayed until this afternoon. I urge us to consider delaying further action on this Iran sanctions measure today or this week. The term ``adding insult to injury'' comes to mind. I try to use the Golden Rule to figure out what I should do and how I should behave as a human being, and I think maybe we ought to consider the Golden Rule in this case as well. Iran is not necessarily our close friend. They are not our close ally. I think the potential is there for having a much better relationship as a young generation of Iranians grows up and eventually assumes the leadership of their country. It is a country of 80 million people, over half of them under the age of 25. They had a revolution in 1979 and captured our Embassy. They held our people for a year or more until after the 1980 Presidential election. Our relations with Iran have been difficult since that time but more encouraging of late--again, a young country of 80 million people, more than half under the age of 25. The younger generation there wants to have a good relationship with the rest of the world, a better relationship with the rest of the world, and certainly a better relationship with us. I have talked with a number of American leaders, including senior American leaders, who have been to Iran in recent years and were surprised by the warm welcome they received. It reminds me very much of the warm welcome I received leading a congressional delegation to Vietnam in August of 1991 to find out what happened to thousands of MIAs. We were expecting to be met by suspicion and hostility, and we were warmly embraced at that time. Six of us-- Democratic and Republican Congressmen--were there to present to the leadership of Vietnam on behalf of the George Herbert Walker Bush administration a roadmap to normalize relations if they would do a number of things to enable us to find out what happened to thousands of our MIAs. We presented that proposal. John Kerry and John McCain worked very hard on the Senate side and at the same time in Southeast Asia as well. We ended up with normalized relations within a few years of our visit. One of the members of my delegation, Pete Peterson, became our first U.S Ambassador to Vietnam. I mention that today because of the hostility we felt toward Vietnam for [[Page S3304]] many years during the war and after the war and the suspicion that they were holding thousands of our MIAs as POWs, which turned out not to be true. But our efforts, along with those of Senator McCain, Senator Kerry, and others, ended up providing information about the missing and the closure we hoped for hundreds of families of Americans who had lost their loved ones in Vietnam and never recovered their remains--although some of their remains were recovered and returned to the families. I mention it today because a year ago in Vietnam, with President Obama and Secretary Kerry, and at a time when the Vietnamese were announcing they were going to buy billions of dollars' worth of our Boeing aircraft--we are their top trading partner, and they were going to be an integral part of the Trans-Pacific Partnership that we negotiated, along with other nations. Sadly, that has gone away. I think one of the biggest mistakes of this Congress and the last was to let the transpacific trade partnership die. But Vietnam was a key member of that. It is kind of ironic to me that a nation with whom we fought in a war, where the names of 55,000 who died are at the Vietnam Memorial-- not even 2 miles from where I am standing right now--yet, since the 1970s we have let bygones be bygones and have a much better relationship with Vietnam. They are still Communist, and they are still a one-party system, but they have high regard toward Americans. Rather remarkably, we learned last April when we were there that they had two surveys done of the Vietnamese people this last year. One survey found that 85 percent of the people surveyed had favorable opinions of the United States, more than any other nation in the world. In the second survey, we learned that about 95 percent of the Vietnamese people had favorable opinions of the United States, more than any other nation on Earth. Again, we are their top trading partner these days, and they are buying a lot of the products we manufacture and sell. If that relationship can change, I think there is reason to hope our relationship with Iran can change. We have our pages here. If it were left to the generation the age of our pages or maybe their parents, it would be a brandnew day in Iran. But change is happening there. The question is, on the heels of this attack by ISIS, with whom we have bitter differences and a hotly contested armed conflict--for us to somehow, on the heels of two attacks by ISIS in Iran, one on the Parliament and the other apparently on the mausoleum for the former Ayatollah, where a dozen or more people have been killed, 40-something wounded--does it make sense for us to take up the Iran sanctions bill today? I don't think so. My reading of the Golden Rule, treating other people the way we want to be treated, would suggest this might not be the right day to do this--next week, maybe; today, no. I call on our leadership to hit the pause button. There is not a need to rush on this. The Iran sanctions bill, which is coming to us today, is a much more thoughtful approach than was originally contemplated by the Foreign Relations Committee. They have done a very nice job of improving what I thought was a badly flawed earlier effort. But this might be a good day to hit the pause button. Instead of rubbing salt into a wound, let's wait a few days and consider what to do. If we were in their shoes, I think we would appreciate that gesture. If we were in their shoes, I think the idea of their taking this kind of action or step against us on a day that we have been attacked by ISIS would not be well received. It would be badly received. So I think we ought to treat them the same way. I think that is pretty much it. I appreciate the chance to come to the floor and say a few words. I call on leadership to delay this vote on cloture and to delay the vote on the underlying bill until next week. When we do the underlying bill on Iran sanctions, let's couple it with something that includes some of the very thoughtful work going on with respect to Russia, which really is creating mischief in this country--not just with elections but otherwise as well--and maybe do a package that includes both together. That might make a lot more sense, and the timing would be a lot better. Mr. President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. SANDERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. SANDERS. Mr. President, I am strongly supportive of adding sanctions against Russia to the bill that is scheduled to come up this afternoon. As I think we all know, Russia actively worked to influence our 2016 Presidential election and continues to try to destabilize democracies around the world, including our own, and that is unacceptable. At the same time, I have serious concerns about the sanctions on Iran contained in this bill. As we have heard from former Obama administration officials, including Secretary Kerry and Ambassador Sherman, these measures could undermine the Joint Comprehensive ***Plan*** of Action, the very important nuclear agreement signed in 2015 between the United States, our P5+1 partners, and Iran. But above and beyond that, let us be aware and cognizant that earlier today, the people of Iran suffered a horrific terror attack in their capital, Tehran, in which 12 people were killed and many more were injured. The Islamic State has claimed credit for this attack. At a time when tensions are extremely high in that part of the world, our goal must be to find ways to bring people together to reduce tensions rather than to exacerbate this very painful and dangerous situation. Let us also remember that the leaders of Iran immediately expressed condolences for the September 11 attacks against the United States and that hundreds of Iranians held a candlelight vigil. It seems to me to be the right thing to do--on a day when Iran has been attacked by ISIS, by terrorism, now is not the time to go forward with legislation calling for sanctions against Iran. I would respectfully request that we delay our vote on this bill until next week. Let us tell the people of Iran that while we have serious disagreements with them on a number of issues, that today, when they are mourning, when they are dealing with the shock of a terrorist attack, today is not the day to go forward with this piece of legislation. With that, I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. MURPHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Sullivan). Without objection, it is so ordered. Mr. MURPHY. Mr. President, I come to the floor very briefly to make what, I hope, is a reasonable recommendation to my colleagues on both sides. We are due to vote later today on moving forward on a piece of legislation that I support. Last week, we voted out of the Foreign Relations Committee a new sanctions bill against the Iranian regime for its continued movement toward a ballistic missile ***program*** that, ultimately, could threaten the security of the Middle East and could threaten the security of our sacred ally in the region, Israel. It also speaks to Iran's continued problematic human rights record and its support for terrorism in the region. We should move forward on this piece of legislation, but I would recommend that we not do so today. There is reason to have this debate, but given the terrorist attack that occurred in Iran, given the fact that today we know that there are 12 dead and 40 wounded in 2 very coordinated attacks, my worry is that, literally, at the moment of grieving in Iran, this resolution would look as directed not at the regime, as it is, but at the Iranian people. It would seem intemperate and, ultimately, do more damage than good. This is an important resolution to debate. We can find the time to get this done, but given the unfortunate timing--obviously, not intentional in our moving this forward this week--given the attacks that just occurred and for which ISIS has claimed responsibility, I would hope that we could find a way [[Page S3305]] to move this to another time. I think it is really important because, ultimately, it is in the United States' national security interest for the Iranian people to get their way, who are, broadly speaking, Western-oriented and who, broadly speaking, want a democratic, internationalist future. In everything we do, we need to make it clear that we have deep disagreements with the Iranian regime--its rhetoric toward Israel, its inflaming of tensions, its funding of proxy wars in the region--and that our beef is not with the people of Iran. From time to time, that is a difficult distinction to make, but it is a very important distinction to make. By choosing to postpone this debate and this vote to another time, I think we will send an important message to the Iranian people that we want to give them the time to grieve and that we want to give them the time to understand the scope of this attack. I do not think it comes at much of a cost or loss to us. It is important to remember that when we were attacked on September 11, there were vigils held throughout Iran. The regime itself was not sponsoring those, but the Iranian people did stand up and, in substantial numbers, displayed a common cause with the people of this country--again, another sign that this disagreement is not with the people of Iran but with the regime. Despite my having some reservations about this piece of legislation-- I do not endorse it wholeheartedly, but I am a supporter of it and will vote for it when it comes to the floor of the Senate--I would hope that the leadership on both sides of the aisle might find a path so as to give the people of Iran some grieving space, to make sure that we are not sending the wrong message with this vote this afternoon, and to find some time later this summer to take up a very, very important issue. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. MENENDEZ. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mrs. Ernst). Without objection, it is so ordered. Mr. MENENDEZ. Madam President, I rise today in strong support of the Countering Iran's Destabilizing Activities Act of 2017, but first I would like to offer my strongest condemnation of the terrorist attack allegedly carried out by ISIS this morning in Tehran, which claimed the lives of 12 people. Attacks on civilians in any corner of the world must be strongly condemned by the United States, and I offer my condolences to the people of Iran and the families who lost loved ones in this latest act of terror. If anything, these events remind us that the entire Middle East is increasingly under siege, and the United States and the entire international community must unite to confront terrorism and extremism in all of its forms. That means holding governments that continue to foment, fund, and encourage terrorism accountable. While the people of Iran suffered a heinous attack today, the unfortunate reality is that the violence, volatility, and profound human suffering that imperils the Middle East are all too often linked back to the Government of Iran. Across the region, this regime continues to pursue policies that threaten the national security interests of the United States. It continues to support terrorism and exert influence through the growing power of proxy actors throughout the Levant and Yemen. Even as it continues to supply terrorists across the region with money, weapons, and resources, the people of Iran continue to suffer under an oppressive regime with absolutely no respect for basic human rights. We all know the United States faces a multitude of threats at home and abroad, from Russia's cyber attack on our elections, to North Korea's continued belligerence, to new questions about America's leadership in the world. But even as Congress rightly remains focused on these challenges, we must not lose sight of Iran's ongoing, ever- growing efforts to exert more control, more power, and more influence throughout the Middle East. Whether we are talking about an adversary like Russia or Iran or an international challenge like climate change or the refugee crisis, we cannot let issues of such importance to our future be obscured by partisan politics, derailed by divisive tweets, or lost amid the revelations of our relentless 24-hour news cycle. I have always believed politics must stop at the water's edge, and I know many of my colleagues share that principle. That is why there is such broad bipartisan support for the Countering Iran's Destabilizing Activities Act. I am pleased to have worked with Senators Corker, Cardin, and a number of other colleagues on legislation that has earned the support of nearly 60 cosponsors. We crafted this legislation by listening to an array of different voices with experience addressing Iran's destabilizing influence. But let me be clear. This bill is not--is not--about Iran's nuclear ***program***. This bill is not about the Joint Comprehensive ***Plan*** of Action. With the regime's tentacles reaching across the region--from its support of a Shia proxy network in Iraq, to its growing influence in Afghanistan, to its continued sponsorship of terrorist groups like Hezbollah and Hamas--we need a ***strategic*** approach, one that energizes our partners in the region and recognizes their capacity to counter Iran's behavior. That is exactly what the Countering Iran's Destabilizing Activities Act does. Our legislation calls on the President of the United States to develop a regional strategy to counter Iran's asymmetric and conventional threats across the Middle East. We know that Iran, for example, continues to develop sophisticated ballistic missile technologies. They aren't exactly hiding it. Just a few weeks ago, a semi-official news service for the Iranian Revolutionary Guard announced it had built a third underground facility dedicated to ballistic missiles. Iran continues to test launch missiles, some of which may be capable of reaching Europe or Israel--both critical allies of the United States. In fact, some of the missiles launched earlier this year had the words ``Israel must be wiped off the Earth'' etched on their sides. That is why S. 722 requires the President to impose sanctions on any person who knowingly engages and materially contributes in support of Iran's ballistic missiles ***program***. Some argue that imposing new sanctions on Iran violates the spirit of the JCPOA, but I would argue that actively building underground ballistic missile facilities does little to promote good will or the spirit of the JCPOA in the region. Beyond its missile ***program***, Iran remains actively engaged in importing and exporting small and conventional arms to terrorist proxies around the world and bad actors like North Korea. In January of this year, the outgoing United Nations Secretary General, Ban Ki-moon, expressed concern that Iran might have violated an arms embargo by supplying weapons and missiles to Hezbollah. Yet, not all of Iran's violations make high-profile news. We know Iran has ramped up its supply of weapons to the Houthi rebels in Yemen and other proxies throughout the region. That is why this legislation imposes sanctions on any individual who knowingly engages in activity that materially contributes to the supply, sale, or transfer of arms as defined and established by U.N standards. Finally, when it comes to human rights, some try to paint a pretty picture of reform in Iran, but a closer look reveals chilling and deplorable human rights abuses. According to Human Rights Watch, by October of last year, Iran had executed more than 250 people--that is 1 person sent to death every day--and many were executed for nonviolent drug offenses. That is why our legislation expands the scope of violations eligible for sanctions, including those behind the extrajudicial killings of journalists and activists who seek to expose the oppression of the Iranian people. Finally, this bill calls for a comprehensive report on Americans who suffer at the hands of the Iranian regime, including those who have been unjustly detained and those who have remained missing in Iran for more than a decade. In short, this bill is a carefully crafted response to Iran's ongoing aggression in the Middle East. Let me turn to a provision that continues to be misrepresented, and that [[Page S3306]] involves the Iranian Revolutionary Guard Corps. The IRGC is officially responsible for Iran's internal security, with a ground force of about 100,000, but like many other quasi-military-political entities in undemocratic countries throughout the world, the IRGC holds enormous influence in Iran's economy and public affairs. On paper, the IRGC Quds Force is the lead supporter of Iran's terrorist networks around the world, and the United States has designated it as such, but the reality is, the IRGC exercises tremendous economic and political power throughout Iran. It pulls the regime's levers to fund and support terrorists in the Middle East and beyond. That is why our bill specifically calls for terrorism-related sanctions on the IRGC, but it does not--let me repeat--it does not, as some have claimed, label the IRGC a foreign terrorist organization. We heard the concerns of our military and intelligence community. Let me repeat. This bill does not label the IRGC as a foreign terrorist organization. What it does do is require the President to acknowledge the role the IRGC plays in supporting terrorism globally. I know some of my colleagues have expressed concerns as well about whether this bill gives a green light to the administration's decidedly confrontational approach to Iran, but that is precisely why Congress must step up and define our strategy in the Middle East. We need to look at the big picture here. As the United States and our partners work to build democratic governance structures--promote tolerance across the region and protect civilians and refugees living under siege--Iran remains aligned with Russia and Syria, actively working to undermine U.S security interests. Indeed, Putin, Assad, and the Ayatollah continue to take advantage of the strife that imperils the region. Meanwhile, the world continues to struggle with extremism, with mass migration, and with the largest humanitarian crisis since World War II. With this administration unable to articulate a clear vision for American leadership in the world, the time is ripe for Congress to assert its influence in our foreign policy, to provide guidance and expertise, and to develop a framework for securing our interests in the Middle East. Now is not the time for Congress to turn a blind eye to Iran's hostile behavior. Now is the time for all of us to demand nothing less than vigorous oversight, constant vigilance, and strict enforcement of our entire arsenal of diplomatic tools, including sanctions on Iran. That is our effort--outside of the nuclear proposal--to make it very clear that you cannot get a green light to do all of these things just because you signed on to the Joint Comprehensive ***Plan*** of Action. I think it is important for us to send this message, and when the appropriate time comes for this vote, I urge my colleagues to support the measure. With that, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. BARRASSO. Madam President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Healthcare Legislation Mr. BARRASSO. Madam President, for a number of years, we have been debating healthcare in this country. Clearly, our healthcare system had problems 8 years ago when they started to do healthcare reform. I saw that as a doctor practicing in Casper, WY. Well, then Washington Democrats tried their solution. It is a solution that passed, and it is known as ObamaCare. Republicans said that it wouldn't work and have been proven right. ObamaCare is too costly. It is collapsing. It is interesting because yesterday, as we were having our policy lunch meetings--Republicans and Democrats--word came out that another one of the ObamaCare exchange companies, Anthem, this time in Ohio, was pulling out, leaving about 18 counties, if not more in Ohio, without anybody to sell insurance on the ObamaCare exchange. ObamaCare actually hasn't solved the problems of America's healthcare system. In many ways, it has made matters worse. That is why the law has never really had the support of the American people and continues to be unpopular today. It is why more than 19 million people actually chose not to sign up for ObamaCare coverage at all, even in spite of financial incentives to do so and a fine or a tax if you didn't sign up. So they either paid the fine or they got an exemption. The Democrats, when they come to the floor to talk about healthcare, refuse to talk about those 19 million people who have just said: We want nothing to do with ObamaCare. We are not going to sign up. Give us an exemption. Let us out. They want to talk about people whom they actually have covered by pushing them into a broken Medicaid system, and that is about what has happened here. This expansion through the healthcare law and expanding Medicaid put many people into a broken healthcare system called Medicaid. It wasn't working well before ObamaCare, and it has gotten worse. The numbers out there, in terms of physicians taking care of patients, are about one-third--one out of three doctors will not take new Medicaid patients, so it is not a system that is working. It is not a solution, but Democrats put more people into that. For people who didn't end up in Medicaid and who paid their premiums, those premiums have gone up significantly. They have doubled in most States, I think, across the board--up about 107 percent over the last 4 years. Thus, the statistics that have come out from the Department of Health and Human Services recently are the statistics the Obama administration, as it left office, didn't want the American people to see--that rates have doubled across the country and, in some States, much, much higher than that. In my home State of Wyoming, they were up actually higher than the national average has been. People are paying more and more. There were two companies, at one point, that were selling insurance on the ObamaCare exchange, both losing money. One lost so much that they are no longer in business. The other is still losing money and still selling on the exchange, but you wonder how long they will stay. Or will they do the sort of thing that Anthem had to do in Ohio and the sorts of things we have seen in the Presiding Officer's home State of Iowa and we have seen in Nebraska and we have seen across the board? Some Democrats say: This is a one-term correction; give it time. But it doesn't seem that it is going to be working that way. There was an article in the paper here, in Washington's Roll Call, and the headline was--this was last week--``Insurers Seek Increases for Obamacare Premiums in Early Filings.'' This is for next year. The article talks about how the insurance companies are starting to say how much they are going to need to charge people next year, which is much higher than it is this year. They are talking about an average increase of about 30 percent. The average premium in the ObamaCare market in Wyoming right now is already more than $7,000 a year for a family. So how much more can people take? That is why I continue to come to the floor and talk about what is the problem with the healthcare law--healthcare and the system. People under ObamaCare have seen their deductibles go up, their copays go up, and the choices that they have go down. This is the real problem when we talk about ObamaCare. Then, of course, the other thing is taxes. There are at least 15 new or higher taxes under ObamaCare. So people aren't just paying higher premiums; they are paying higher taxes, which were supposed to help with the premiums, but it doesn't seem to be doing so for people all across the country. The Congressional Budget Office has looked at this, and it said that Americans are going to pay more than $28 billion over the next 10 years on just one tax on prescription drugs. Well, if we are trying to lower the cost of drugs and trying to lower the cost of care, putting a tax like this, as ObamaCare did on prescription drugs, just adds to the problem. It has raised taxes all across the board. I don't want to go through each and every one of the taxes, but suffice it to say that when President Obama said he would put this ***program*** into place and it wouldn't cost a single [[Page S3307]] dime, he forgot the trillion dollars in new taxes that he added onto the backs of hard-working Americans. So we have had higher taxes, we have had higher premiums, we have had higher out-of-pocket costs from people--this huge tax burden. What has happened is that we need to do a reform. The House has passed reform, and now in the Senate we are working on passing our own healthcare reform bill. We have been meeting three times a week up to over 5 hours a week for the last month and a half, going through piece by piece of all the different components of the healthcare law, trying to address the issues that are facing the American people, trying to lower the taxes that top the list of what we hear about at home in terms of trying to help people because they are paying more taxes, trying to work to deal with premiums. I am really encouraged by the debate we have been having. I think we have been taking good steps in trying to address the issues the American public is seeing in terms of higher premiums and fewer choices. I would like to work with the Democrats to solve these problems in a bipartisan way, to talk about how people can actually get healthcare in this country. But what have the Democrats done in response? Well, it is interesting because they want to go to a single-payer healthcare system. Some may deny it, but a majority of the Democrats in the House have cosponsored legislation to go to a single-payer healthcare ***plan***. It is modeled, in some ways, after what you are seeing in California. The California State Senate last week passed a bill, which seems to be the drift and the direction and maybe even the tip of the sphere of the Democratic Party efforts. It said: We want single-payer healthcare in California. I served in the Wyoming State Senate, and I know the Presiding Officer served in the State legislative body in her home State of Iowa. We do a fiscal note. We say: What is this going to cost? Is it a good idea? Can we afford it? What are the costs going to be? And the cost for what they proposed in California is $400 billion. Can they afford it? What is the total budget of the State of California? What is their general fund for the year? It is only $190 billion. So what they are proposing for healthcare alone is over twice what the entire general fund for

the entire State of California is. Yet, it passed. It was a party-line vote in the State of California in the State senate, but that is now the position that they are working to do. So it is hard to get cooperation from somebody to work on dealing with a healthcare ***plan*** when their ***plan*** is to go with more government, more spending, pledging money they don't have. When I looked at it in California, I said: If they want to do this, they will have to, No. 1, cut spending on other things. When you think about where general funding goes, it is for teachers, law enforcement, public safety, and firefighters. But they would also have to raise taxes significantly to get the money for what they want to promise everybody in this single- payer healthcare ***plan***. I am interested in working in a bipartisan way with people, but it is hard to get cooperation from people when their solution is more government, higher taxes, and less freedom. We need a solution, and that is what we are working on. I am very happy to say that it has been discussed at length in our conference. We had another good meeting about it yesterday, along with the Vice President, focusing on eliminating taxes, getting rid of the mandate that says that people must buy a government-approved product, giving people additional choices, and giving the States flexibility to make a number of these decisions. I am from a State where ***agriculture*** plays a significant role, as is the Presiding Officer. I will be at our Wyoming stock growers' meeting on Friday when I am back home in the State. I was there a couple of years ago after ObamaCare passed, talking to people who had insurance that worked for them and worked for their families, but they lost it, not because they couldn't afford to pay for what they had but because what President Obama and the Democrats forced through in Congress said it wasn't good enough for them. Under the mandate, as to what my friends and neighbors and folks around Wyoming have been saying was good enough for them and they could afford, President Obama said it wasn't good enough for them. Who is the better judge of what is good for a family in Iowa or Wyoming--President Obama and the Democrats or the family there in Iowa or Wyoming who is making the decision about what works best for them and their families? I am sure I am going to hear more about it at the stock growers' meeting on Friday, when I hear from families who say: What we had worked, but lost it because it wasn't allowed to be sold anymore. The President said it wasn't good enough for me. One woman said to me: Tell the President that I can make the decisions for myself. I don't need his help--referring to President Obama. So we will continue to work toward the goal of making sure that we have people who can get the insurance and care they need from a doctor they choose at lower costs. That is what we needed with healthcare reform. That is what we didn't get with ObamaCare. We got higher costs and fewer choices. Across the board right now, it looks like in 7 out of 10 counties in this country, people are down to one or two choices-- hardly a market. In many places it is a monopoly now. After the news that came out yesterday from Anthem in Ohio and some of the news that we see from Iowa and neighboring Nebraska, we are going to find that many places will find themselves with no options available. Even with the subsidies that the Democrats had promised to help deal with the high premiums they have caused, there may be nobody to sell the insurance even when the subsidies are available. So I come to the floor, as I do just about every week, to talk about the situation with the Obama healthcare law, the challenges the American people face, and our commitment to help provide relief and rescue the American people from what has happened to them under President Obama's healthcare law. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. MERKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Perdue). Without objection, it is so ordered. Mr. MERKLEY. Mr. President, the most important words in our Constitution are the first three--``We the People''--written in a beautiful script and written in a font size so that one can see it from across the room. They set out the mission statement for our Constitution, for our vision of government--not government of, by, and for the privileged and the powerful but government of, by, and for the people, as President Lincoln so eloquently summarized. It is our responsibility as elected officials to look out for decisions that serve this mission of government of, by, and for the people, to fight in times of trouble for policies that provide a ladder of opportunity and a foundation for families to thrive. But at this very moment, a secret group of 13 Senators is devising a healthcare ***plan*** with the intention of bringing it to this floor with no public debate, no committee meeting, and no public notice. They want to just bring it to the floor, have a few hours of debate, and put it forward, even though it will affect millions of Americans. It probably will hurt millions of Americans, but the secret 13 want to craft this policy. And why in secret? Because they are plotting a ***plan*** that will hurt so many people, they don't want the public involved in the process. They don't want to hear from the citizens from rural America or urban America who are so concerned about the TrumpCare bill--the bill that will immediately destroy healthcare for 14 million Americans; the bill that will immediately undermine the solvency and success of our rural healthcare clinics and our rural hospitals; the bill that breaks every promise the President put forward on healthcare. It breaks the promise that every person will be covered, breaks the promise that people with preexisting connections will get the same price as everyone else, breaks the promise that the [[Page S3308]] policies will be even better, higher quality. Instead, it guts the essential benefits. It breaks the promise that the insurance will be at a lower cost. In fact, for someone roughly 64 years of age earning about $26,500, their healthcare bill would go from $140 a month to $1,200 a month--a sum that is clearly impossible to pay on an annual income of $26,500. That is why it is being done in secret--because it involves broken promise after broken promise, destroying healthcare in every town and hamlet across America. That is quite a contrast to the way ObamaCare was forged. ObamaCare had a yearlong debate. It proceeded to be in committee markup--that means with amendments being offered--in the HELP Committee for about 5 weeks, with television cameras rolling and 150 Republican amendments accepted during that process. Then the Finance Committee had its turn, and it had a very long markup, and it had dozens and dozens, if not 100 or more, Republican amendments adopted. The debate was all over the country. It was in the newspapers. It was in every forum. It was right there, square center, nothing hidden. But this is quite different. The majority leader today has started the rule XIV process, specifically intending to bypass those Senate committees and bring the TrumpCare bill to the Senate floor, completely bypassing government of, by, and for the people. This is unacceptable. I think my colleagues know it is unacceptable, but they are hoping to do it so quickly and so fast that they will have a minimum of criticism across the country. There should be a maximum amount of criticism on the floor of the Senate. Every Senator who believes that this democracy--this democratic Republic--is one in which we do the people's work should see the light of day. The debate should see the light of day in the forging of the bill, as well as the final debate here on the floor. We know another reason this bill--this replacement or addition or modification of the House bill--is being crafted in secret. That is because the very premise of it is to give a massive tax break to the wealthiest Americans, another promise broken in which Trump said that this would not be done. But there it is, TrumpCare out of the House, $600 billion given away to the richest Americans while devastating healthcare for working Americans. Has no one noticed that we have an incredible gap in income in this country, with massive numbers of people earning very little and a few at the top earning massive amounts? Has no one noticed that we have a huge wealth gap in this Nation, with those at the bottom having few, if any, savings and those at the top having billions upon billions? If we have noticed, then we should care that that is not a foundation for families to thrive. Indeed, it is something that is only made much worse in a bill that takes away the foundation of healthcare-- essentially, the quality of life for families across America--and, in turn, takes the savings and gives it to the wealthiest families. There is a reason to hide this bill. There are a lot of reasons to hide this bill. But it is undemocratic to have this secret group developing this bill with an intention to bring it to the floor without a committee hearing, without public exposure. Folks back home are very worried, and I would like to share a few of their stories. Lynda of Talent, OR, who survived her battle with stomach cancer, thanks to the Affordable Care Act's Medicaid expansion--Lynda's friend wrote to share her story. Lynda was a self-employed plumber, working hard to get her business off the ground, but she was diagnosed with stage IV stomach cancer. Lynda couldn't afford insurance, and she and her husband couldn't afford to pay for treatment out of pocket because they were already paying off enormous debt from care her husband had received. So what did Lynda do? She ignored the symptoms. She tried to go about her life as best as she could. As her friend wrote, ``She would have died rather than take on more debt that she was not sure she could pay.'' But that changed with the Affordable Care Act the day Lynda found out she would receive coverage under the Oregon Health ***Plan***-- Oregon's Medicaid expansion. Now there is good news to share. Lynda received treatment. She has been cancer-free for almost a year, and her friend describes this as ``nothing short of a miracle.'' ObamaCare, the Affordable Care Act, delivered a miracle to an individual who was ***planning*** just to die rather than get treatment and then could get treatment, thanks to Medicaid expansion, and is now in remission. TrumpCare is being reworked in secret by 13 of my colleagues out of public sight. It wants to strip away that expansion of Medicaid, wants to rip away the chance for people like Lynda to receive lifesaving care. Yvonne from Elmira, OR, sent a note to us about the high-risk pools that Republicans want to institute under TrumpCare. She says: Before the ACA existed, I was in our state's high risk pool because no company would insure me because I had Asthma and had an ovary removed because of cysts. The $1500 deductible and $550 per month was hard to pay and then it only covered 70%. When I was severely injured in an accident and required reconstructive surgery I ended up bankrupt. But then, 2 years ago, she qualified for the Oregon Health ***Plan***. Now Yvonne has her medical needs covered at an affordable price and can't be denied coverage or charged a higher premium because of her preexisting conditions. Yvonne, like so many others, would suffer under the Republican ***plan*** to strip away the protection for preexisting conditions. She has had an accident, she has had an ovary removed, she has had asthma. It would be extraordinarily difficult for her to get insurance without the protection of everyone being in the same healthcare pool together. If she could get insurance--which is not at all clear--it would be at sky-high, unaffordable prices. Bernard from Portland wrote to us. He said that an important thing that often gets lost in this whole debate over the future of the Affordable Care Act is the support it gives for Americans to innovate. In 2011, Bernard in Portland chose to leave his job and pursue his passion of becoming a freelance artist. Here is what he said, in his words: With my departure, I left behind the security of medical coverage. For two years, I was not covered by medical insurance, and fortunately nothing happened, but that is a gamble nobody should have to take. And it's a gamble that I could take being under 40 years old, and in relatively good health. A person should not have to stay in a job they may not even like, and could be better filled by someone else, just for fear of not having medical coverage. He is right. One of the powerful things that has occurred under ObamaCare is that individuals worked for firms and wanted to become entrepreneurs but were afraid to do so because of the loss of healthcare coverage, but now, either through the expansion of Medicaid or through the exchanges, they can acquire insurance without being part of a large company. That has unleashed entrepreneurship across the country. People are pursuing their dreams and contributing to the economy in all kinds of ways because they can now access healthcare without being part of a company that provides healthcare. Eventually, Bernard was able to afford a basic coverage ***plan***. But it didn't provide much, and it cost a significant portion of his income, but it all changed with the ACA. An October 2016 survey of American small businesses and a January 2017 followup survey found that one-third of 5,400 small business owners interviewed had the confidence to start their own businesses because they had access to healthcare through the ACA. According to the Department of Labor, between 2013 when the ACA went into effect and the end of 2015, the number of self-employed Americans increased by 3.5 percent. These are just different ways of noting what we hear about all the time--people launching their entrepreneurial efforts, launching their companies because of the confidence they have that they can get healthcare. That is the powerful unleashing of creativity. It is an economic engine. It is a small business driver. Lisa from Phoenix also wrote to share her powerful story. Lisa's daughter suffers from cerebral palsy and epilepsy, so Lisa has stayed home and [[Page S3309]] cared for her for the last 15 years while her husband worked. Now, thanks to ACA's Medicaid expansion, her family has been able to hire in-home help and it has been transformative. Lisa's daughter has become more connected to the community, gained new skills and independence, is contributing to household chores, and has shown a great deal more vitality and engagement since the family was able to get some assistance. It has gotten to the point where Lisa can start thinking about her own needs a bit more. In fact, for the first time in quite a while, she is considering taking on a job outside her home to help provide more income. The ACA isn't just saving lives in emergency health situations or by addressing diseases. It is improving the quality of life for millions of American families like Lisa's. I will share one more constituent story today. It is hard to pick just one more because there are so many stories coming in each and every day. As we continue to talk about the assault on the health and peace of mind of millions of Americans, I will be coming back to the floor to share those stories coming in from other Oregonians. But this last story comes from Warren in Tigard, OR. Warren and his wife Joyce have been happily married for over 60 years, but in the last few years, Joyce has been suffering from Alzheimer's. Joyce's disease has progressed very far. Among other things, she has lost her mobility, much of her cognition, and she is wheelchair bound. Her condition has progressed so far that Warren and the home caregivers who were helping him care for his wife just couldn't meet the need requirements any longer, so they admitted Joyce to a nearby adult care facility, where she is now secure, stable, and comfortable. But, as we know, the kind of care Joyce is receiving is expensive. Warren writes: This care costs $4,000 per month. Our long-term care insurance is currently covering most of this cost, but only about 4 months' worth of insurance coverage remains. So we will have to obtain Medicaid coverage for her continued care. But proposed changes to the Affordable Care Act could jeopardize this coverage. I have not anticipated this disastrous change, but fear it would be a tragedy for both of us. Yes, it would be a tragedy for Warren and for Joyce to have TrumpCare pass and dismantle Medicaid and dismantle the exchanges. It would be a tragedy for so many others in similar situations across the country. Many people don't realize that Medicaid helps pay for nursing home care for more than half of the nursing home residents--residents like Joyce. But here is TrumpCare, ***planning*** to cut $880 billion in direct Medicaid spending. It is basically: Well, too bad Warren and too bad Joyce. We want to save some money so we can give big tax breaks to the wealthiest Americans. I must say, there is not a lot of caring in that perspective. It embodies a principle, but is it really the principle we want in the United States of America--the principle that the goal of the majority party is to take away from those who have little to give more to those who have most? Is that really the principle my Republican colleagues want to embrace on the floor of the Senate? Is that really the principle the secret 13 with their secret meetings out of public sight to develop a new version of TrumpCare want to embrace? I would suggest that is simply wrong. It is wrong from the point of view of providing an opportunity for all Americans to thrive. It is wrong from a moral point of view to pull healthcare--and the peace of mind that comes with healthcare--out of the hands of struggling Americans and working Americans across our country. Finally, I want to address one more issue. We heard earlier today that Anthem is pulling out of Ohio. Why are they pulling out? Because of President Trump. Why is that connected? Because he refuses to confirm that his administration will make the cost-sharing reduction payments that have been part of the Affordable Care Act. Those payments reduce the premiums. Those payments proceed also to reduce the level of deductibles so you get more care sooner. So insurance companies don't know whether to raise their insurance policy a little or a tremendous amount, and that instability means they simply can't price their policies. In addition, my Republican colleagues have assaulted the risk quarters, or reinsurance ***programs***, that make it possible for an insurance company to go into a new market and know that if they get a disproportionate share of sick patients, they will get compensated for that risk and that result. So that reinsurance is essential for more companies to be in a particular market. Moreover, the administration proceeded to not spend the money on advertising in the last stage of signups and reduced the number of people who were in the markets. So that is another assault on the stability of health insurance in America. This is a deliberate, straight-out effort to undermine healthcare in America to the disadvantage of millions of Americans. It is being done by the President without any action even happening on TrumpCare here in the Senate. It is wrong. It is hurting a lot of people, and the President should stop. With that, I conclude my comments. Thank you, Mr. President. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. SCHUMER. Mr. President, I ask permission to speak under leadership time for a brief moment. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. SCHUMER. Thank you, Mr. President. With respect to the pending vote on the Iran sanctions bill, I want to be very clear. Democrats will vote to advance this bill to the floor because most of us support the bill but also because we expect an amendment process that will follow for a vote on a strong package of Russia sanctions. I have talked to the Republican leader about this. He is amenable to that. Our Republican colleagues should realize it will be very difficult to gather Democratic support for final passage of this bill until we deal with Russia sanctions. We feel strongly that we need a tough, effective package of Russia sanctions to move alongside the Iran sanctions. We are currently negotiating to that end. I have faith that the majority leader and I, along with Chairman Corker, Chairman Crapo, Ranking Member Cardin, and Ranking Member Brown, will be able to agree on a way forward that allows for a final vote on Iran sanctions alongside a strong and effective package of Russia sanctions. With that, I yield the floor. Cloture Motion The PRESIDING OFFICER. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state. The legislative clerk read as follows: Cloture Motion We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 110, S. 722, a bill to impose sanctions with respect to Iran in relation to Iran's ballistic missile ***program***, support for acts of international terrorism, and violations of human rights, and for other purposes. Todd Young, Joni Ernst, Bill Cassidy, Ron Johnson, Tom Cotton, Orrin G. Hatch, Roger F. Wicker, Pat Roberts, Mitch McConnell, Richard Burr, Luther Strange, James M. Inhofe, Mike Crapo, Shelley Moore Capito, John Cornyn, Bob Corker, John Barrasso. The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived. The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 722, a bill to impose sanctions with respect to Iran in relation to Iran's ballistic missile ***program***, support for acts of international terrorism, and violations of human rights, and for other purposes, shall be brought to a close? The yeas and nays are mandatory under the rule. The clerk will call the roll. The bill clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Texas (Mr. Cruz). The PRESIDING OFFICER (Mr. Cotton). Are there any other Senators in the Chamber desiring to vote? The yeas and nays resulted--yeas 91, nays 8, as follows: [[Page S3310]] [Rollcall Vote No. 140 Leg.] YEAS--91 Alexander Baldwin Barrasso Bennet Blumenthal Blunt Booker Boozman Brown Burr Cantwell Capito Cardin Casey Cassidy Cochran Collins Coons Corker Cornyn Cortez Masto Cotton Crapo Daines Donnelly Duckworth Enzi Ernst Fischer Flake Franken Gardner Graham Grassley Harris Hassan Hatch Heinrich Heitkamp Heller Hirono Hoeven Inhofe Isakson Johnson Kaine Kennedy King Klobuchar Lankford Leahy Lee Manchin Markey McCain McCaskill McConnell Menendez Moran Murkowski Murphy Murray Nelson Perdue Peters Portman Reed Risch Roberts Rounds Rubio Sasse Schatz Schumer Scott Shaheen Shelby Stabenow Strange Sullivan Tester Thune Tillis Toomey Van Hollen Warner Warren Whitehouse Wicker Wyden Young NAYS--8 Carper Durbin Feinstein Gillibrand Merkley Paul Sanders Udall NOT VOTING--1 Cruz The PRESIDING OFFICER. On this vote, the yeas are 91, the nays are 8. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to. Change of Vote Mrs. FEINSTEIN. Mr. President, on rollcall vote No. 140, I voted yea. It was my intention to vote nay. Therefore, I ask unanimous consent that I be permitted to change my vote since it will not affect the outcome of the vote. The PRESIDING OFFICER. Without objection, it is so ordered. (The foregoing tally has been changed to reflect the above order.) The PRESIDING OFFICER. The Senator from Minnesota. The President's Budget Ms. KLOBUCHAR. Mr. President, I rise today to join my colleagues to speak about the need to ensure that the policies that we make in this Chamber work for and support rural America. Senators Stabenow, Heitkamp, and I are all from the Midwest--the heartland. We represent the people who are truly in the middle of this country--the middle of the country economically, politically--and who are often middle-income people who need representatives who are focused on what matters to them. Each year I visit all 87 counties in my State, and I hear a lot. I hear about dads who can't be sure their sons or daughters will have the support they need to take over the family farm when the time comes, small business owners who can't get a broadband connection, moms who can't figure out how to pay for their kids' prescriptions when the costs go up, and manufacturers who can't find workers to fill jobs. Rural America has been left behind. The poverty rate in their areas for kids is higher than it is in urban areas. Businesses may not invest when they can't get reliable internet access or they can't get the right people to support their operation. Housing is hard to come by. We should be focused on supporting our farmers and ensuring that people can raise a family in a small town and have the healthcare they need. We should be making sure that high-quality education is attainable and that job training options are available and affordable. We should be able to provide every person in this country with a clear path to a good job. Unfortunately, from the administration we have seen a disconnect between rhetoric and policy. We have seen a budget that hits the heartland with 21 percent cuts in the Department of ***Agriculture***--cuts to grant ***programs*** that support rural homeownership, provide clean drinking water and wastewater systems, and promote access to critical services such as rural hospitals. It eliminates rural business ***programs*** that help create hundreds of thousands of jobs. If enacted, these cuts would have a damaging impact on rural communities throughout the country. Rural communities help our country get ahead. They are the backbone of our country. We need to work to find common ground on these issues, and we need a budget that helps and not hurts the heartland. I see my colleague from Michigan, Senator Stabenow, is here as well. The PRESIDING OFFICER. The Senator from Michigan. Ms. STABENOW. Mr. President, I want to first thank my friend and colleague, the senior Senator from Minnesota, Ms. Klobuchar. She is a very important part of our Senate ***Agriculture***, Nutrition, and Forestry Committee. She provides tremendous leadership. We both come from great ``M'' States. So it is always great to have an opportunity to be part of sharing remarks on such an important topic. I am also pleased to state that Senator Heitkamp will be joining us today, as well, from another very important rural State. Michigan small towns and rural communities embody much of our State's way of life and drive our economy forward. I grew up in one of those small towns, in Clare, in Northern Michigan. I believe that towns like mine should be celebrated and strengthened. We want young people to go to college and feel that there is a future to come home to, either back to the farm or the small business or participating in the community or maybe working at the local hospital, but being part of continuing this important way of life. People in our communities deserve every opportunity to be able to raise their families with well-paying jobs and a high quality of life, like everyone in every part of Michigan and all across the country wants to have, but many rural areas and many small towns face unique challenges in developing and maintaining infrastructure. Broadband. We now need to make sure that the farm at the end of the road is connected with high-speed internet. At one point in our country's history, it was the telephone. It was electric poles and being able to connect the farm at the end of the road to the rest of the community. Now it is high-speed broadband, and it is critically important that that happen. Providing high-quality health services and education. My mother was a nurse--the director of nursing--at the small hospital in Clare for many, many years. So I know how important not only healthcare was and making sure there were doctors in our town but also making sure there were jobs, because one of the top employers in our community was the hospital. That remains true today. When the Trump administration released its budget proposal at the end of the month, frankly, I was shocked to see the kinds of disinvestments and sharp cuts that would hurt small towns like Clare and rural communities all across Michigan and all across the country. No matter which part you look at, President Trump's budget is bad for rural Michigan, and it is bad for rural America. First, the budget calls for a 21-percent cut to the U.S Department of ***Agriculture***, which is our second largest industry. One out of four jobs in Michigan is connected to ***agriculture*** and the food economy. In the President's budget, it was decided that the third largest cut to any Federal agency would be in the Department of ***Agriculture***. This will dramatically reduce and eliminate very key rural development services. The budget would zero out funding for water and sewer infrastructure projects, which is amazing to me. I can drive from one end of Michigan to the other and see communities in which rural development has made all the difference in supporting the ability to have clean water and water and sewer systems, as well as other important infrastructure. This ***program*** has improved nearly 6,000 rural water systems, including many in Michigan. There is an extremely high demand for upgrading water and sewer systems across the country. Right now, the USDA has a backlog of nearly 1,000 applications from small towns that need to improve their water systems. President Trump's answer, as part of his infrastructure package, is to say that this will come from not supporting rural communities ourselves but leaving it up to Wall Street investors or, maybe, foreign countries to invest in our water systems, like Saudi Arabia or China. The fact is that Wall Street investors are not investing in rural communities. I would argue that that is not a good strategy anyway. We know that, when you depend on that kind of a strategy--foreign country investor or Wall Street investor efforts-- [[Page S3311]] those investments are not being done in small towns like the one in which I grew up. Towns with populations of a few hundred people cannot afford the high interest rates--or the toll roads, by the way--that come with a lot of the projects in this kind of approach. The budget also undermines rural jobs and businesses in communities in which unemployment is already too high. The USDA's small business loans are eliminated under the President's budget. Again, I can go from community to community around Michigan and see wonderful small businesses operating with the support of rural development loans. These are ***programs*** that have saved almost 800,000 jobs and have helped finance more than 107,000 businesses in the last 8 years alone. This proposal that the White House put out also jeopardizes what I talked about earlier, which is rural broadband, or high-speed internet, for communities in order to access education, rural healthcare, and telemedicine, as well as addressing issues like resources to curb the opioid epidemic. Last year, the FCC found that 39 percent of rural Americans--that is, roughly, 23 million people--lack access to high- speed internet service. This is astounding to me when we look at this as a challenge that we have in 2017. President Trump's budget also targets the farm bill directly for $231 billion in cuts. We work together on a strategy for a 5-year economic development ***plan***. We do it on a bipartisan basis. It will be time to bring that up again next year. That 5-year process gives certainty to our farmers and communities and those interested and committed to conservation and bioenergy and all of the other provisions in the farm bill. To see--outside of this 5-year period and our bipartisan process--the Trump administration come in and target these funds for a cut of $231 billion, again, is shocking to me. If that were to pass, it would be impossible for us to write the next farm bill next year. Cutting crop insurance by $29 billion would take away critical support for farmers right at a time of low commodity prices. We moved from subsidies to risk management in crop insurance in the last bill, saving taxpayer dollars. We made a commitment to farmers purchasing insurance, where they are writing a check for the insurance bill instead of getting a subsidy during good times, but you have the insurance if there is a weather event, if commodity prices are low, if there is another challenge like we are seeing today for our farmers. Our farmers also need export opportunities in order to sell their products, which are in high demand around the world. We have to be able to sell ***agricultural*** products. The budget eliminates important market- access ***programs*** to help our farmers sell. Simply put, cuts to these ***programs*** mean lower economic growth, less development, less opportunity, and a lower quality of life in small towns in Michigan and all across rural America. Our small towns and rural communities deserve better, and we are standing here today as advocates and voices for them. We know, as farm prices are down nearly 50 percent from their highs just a few years ago and ***producers*** are struggling to make ends meet, that these are challenging times, and we need to understand that. We need to write a farm bill and focus on those areas to support our farmers and growers. We know there are those like our dairy farmers, in particular, who are in challenging times, and we need to make sure we are addressing their concerns as well. Rural America is the economic backbone of the country. Somebody has to grow something, and somebody has to make something. Otherwise, you do not have an economy. That is what happens in rural Michigan and rural America. Yet we also know that too many communities are still struggling to recover from the great recession. From my perspective, I join with the 500 groups from every part of ***agriculture***, the food economy, nutrition, and conservation groups-- everyone involved in the food economy--in saying that we cannot afford additional cuts to ***agriculture***, rural communities, and other parts of the farm bill that support our ongoing economy. It is critically important that we stand with those in every small town in Michigan and across our country in saying that we understand and are partners with you in making sure that, when you work hard, you have the quality of life for yourself and your family that you deserve, and we are going to do our part to make sure that support is there. I thank the Presiding Officer. The PRESIDING OFFICER. The Senator from Minnesota. Ms. KLOBUCHAR. Mr. President, while I join Senator Stabenow in her remarks, I want to thank her for her tremendous leadership on the ***Agriculture***, Nutrition, and Forestry Committee and for working across the aisle with Chairman Roberts. The two of them, I have no doubt, will be able to come to an agreement and keep working on getting an even stronger farm bill. It took some Herculean efforts to get the last farm bill done, and it would not have happened without her. I appreciate what she said about the importance of the farm bill and the USDA. I would also add another important pillar of strong rural economics, and that is job training. Starting with high school, I think we all have to come to grips with the fact that not every kid wants to get a 4-year degree. In fact, we have so many openings across this country--millions of job openings-- whether it be on a plant floor, whether it be as a plumber or as a welder, that can be obtained with a 1-year or a 2-year degree. My own sister did not graduate from high school. She went on, years later, and got her GED, and then she went on to get a 2-year degree. After that, she got 2 more years of training and became an accountant. There is not just one path in America. Part of this is investing in STEM--science, technology, engineering, and mathematics--and doing it early so that kids get a jump start on the jobs of tomorrow. By the way, this is not just your Ph.D.s and Silicon Valley jobs. This also includes blue-collar jobs. I call it blue STEM. There is a shortage, as I said, of welders and auto mechanics, and those can be good-paying jobs. We need to talk about them with dignity, and we have to realize that this is where the openings are. The other piece of this, in addition to training kids in high school, is to make sure we have apprenticeship ***programs*** available. This year, a report came out in my State that 68 percent of Minnesota manufacturers found it was difficult for them to find workers with the right skills and experience. That is up from 40 percent in 2010. I see that Senator Heitkamp is here. As they are starting to add some more jobs in the oil patch in North Dakota, it is going to become even harder to find Minnesotans to fill some of our jobs because some of them like to go over to North Dakota. Senator Collins and I have introduced a bill called the American Apprenticeship Act, which would expand tuition assistance for pre- apprenticeship and apprenticeship ***programs***. The President has talked about workforce development as being a priority. Yet we have seen a cut of 15 percent in Department of Education grants for career and technical education, as well as a 36-percent cut to Labor Department funding for training and employment services. As I noted before, there is this disconnect between the rhetoric we hear and what we are reading in the black and white of this budget. I know there are people on both sides of the aisle here, including the Senator from North Dakota, who want to work on bridging that difference and getting a good budget done that really helps rural America. I see Senator Heitkamp is here, and I thank her for coming. Senator Heitkamp serves on the ***Agriculture***, Nutrition, and Forestry Committee. She was an integral part of the last farm bill and will be an integral part of this as well as in really understanding the economics within a rural State. The PRESIDING OFFICER. The Senator from North Dakota. Ms. HEITKAMP. Mr. President, I thank my good friend the Senator from Minnesota. She just exists to the east of me. We share a common border, but we also share a common belief that Washington is not devoid of ideas. Somehow, it has just lost the capacity to bring those ideas to fruition. As my great friend the Senator from Minnesota can attest, there are hundreds-- [[Page S3312]] and probably thousands--of great ideas for small business, for workers, for improving the economic conditions of people in this country that are here, ready for debate, and ready for passage. What is not a formula for success for America is the budget. The President's budget would devastate rural communities. I am not given to hyperbole, and I am not given to exaggeration, but the absolute, bare fact is that this budget will decimate economic opportunity not only for American ***agriculture*** but for economic opportunity and security for rural communities. When we think about North Dakota, it is hard to imagine a State that most of the people in this country would imagine more equated with rural America. I tease Amy many times when I tell her: Oh, it is coming up from the Cities, because our big opportunity to travel and to see the sites of the big city really is Minneapolis and St. Paul. But a lot of Minnesota--a lot of western Minnesota in particular, the area that I know about--is engaged in ***agriculture***, and we share a common border, but we share a common purpose. I wanted to start off by saying that in North Dakota, we understand the value of rural communities. We understand the value of investing in ***agriculture*** and infrastructure and how important those things are to boosting our local economy. We see the direct impacts of it on our families, businesses, and towns. Most of us--me included--come from towns of fewer than 100 people. In fact, I am proud to say that growing up, there were nine people in my family, and my family was one-tenth of the population of the small town I lived in. We are proud of that. We are proud of our rural roots, and we are proud that from those life experiences growing up, we learned a lot about compromise, we learned a lot about work ethic, and we learned a lot about the importance of community and working together. We also learned a lot about the importance of investment. Without critical investment, our rural communities are at risk, and I think that could have dramatic and drastic ramifications for our State, our counties, our families, and our neighbors. Instead of lifting up rural communities, the Presidential budget pushes us down. Rural communities and the jobs there--including ***agriculture***--are vital to many of the families I know but really families across the country. There are over 30,000 farmers and ranchers in North Dakota who lead the country in ***producing*** spring wheat, durum, sunflowers, canola, dry edible beans, flax, honey, and many more specialty crops and grain crops. These farmers feed North Dakota, our country, and the world. In 2015, ***agriculture*** contributed more than $9.1 billion to my State's economy. That may not seem like a lot when we are talking about California, but that is a huge amount when we are talking about North Dakota. About one-third of North Dakota's jobs are directly tied to ***agriculture***. There are implement dealers, veterinarians, ***agriculture*** retailers, and many more who are closely associated with agribusiness. There are countless other jobs that support these rural communities, such as teachers, firefighters, police officers, and more. Since the election, there has been a great deal of talk in Washington about rural America. I think rural America reared up its head in this past election and said ``We are not to be forgotten'' and they believed they had secured an advocate in Washington in this current administration, only to be basically told otherwise by a Presidential budget. So what does the budget mean, and why should we pay attention to it? I think the first thing we need to know about a budget is that it is about priorities. It is really a values document. Unfortunately, the President's budget shows that the administration doesn't value North Dakota or really, in fact, rural America. In fact, it targets both. Today I want to talk a little bit more specifically about how devastating this budget would be for rural communities across my State and across the country. This budget would slash USDA's budget by over 21 percent, cutting $231 billion from funding from the farm bill over the next decade. It would specifically cut $29 billion--$29 billion--from crop insurance over the next decade. This is crop insurance our farmers rely on, especially at a time of challenging weather and low commodity prices. Crop insurance helps prevent family farms from going under when disaster strikes. Without an affordable crop insurance ***program***, a drought or a flood could wipe out the wealth of an entire family and basically bankrupt a family farm. When ranchers and farmers do well, North Dakota does well, and so will all the rest of the country. To challenge these farmers with a crop insurance ***program*** that will be nonexistent is to take away the opportunity for food security in this country--food security that is so closely linked and important to national security. By drastically reducing field staff, the President's budget also prevents USDA from achieving its mission to support rural communities. The budget calls for reducing staffing levels at USDA by 5,200 employees. Nearly 2,500 of those employees are with the Farm Service Agency, Rural Development, and Natural Resources. What does that mean? The Farm Service Agency's caseloads have increased in North Dakota, and the current hiring ban has hampered efforts to administer the farm ***programs***--those efforts which are critical to farmers as they make their business decisions. I can't tell my colleagues the number of times farmers across my State have come up to me and said how grateful they are that the Farm Service Agency is available in their county and available to them to provide advice and much needed documentation on their decisionmaking on how they are going to implement the farm ***program***. In fact, I tease those farmers a little bit, because they always say: You know, that Farm Service gal--usually a woman who has been with the Agency over decades and knows that farm as well as that farmer, and when that farmer walks through the door to get that advice and to get that number, they know that not only do they have a friend sitting across the table from them--probably a neighbor--they also have an advocate sitting across the table. We don't want to lose that connection to this vital service, the Farm Service Agency, by making this about picking up the phone and pressing buttons and talking to someone who would barely even understand or even know North Dakota or the county the farmer is in. So at a time when farmers and ranchers are already experiencing low commodity prices, these cuts to the Farm Service Agency would limit the ability of that Agency to provide timely, accurate, and useful services to our family farmers and our ranchers. The budget would create huge challenges for rural healthcare. On top of the $800-plus billion taken out of the Medicaid ***Program*** by the Republican healthcare bill, this budget would also cut $610 billion from Medicaid by reducing it to a block grant ***program***. Medicaid is a lifesaving, cost-effective ***program*** that enables more than 90,000 seniors, individuals and children with disabilities, and low-income families to get affordable, quality care. I want my colleagues to think about the enormous challenge of delivering healthcare in a sparsely populated area. One of the challenges my rural healthcare providers have not had in the last many years since the implementation of the Affordable Care Act is uncompensated care. But when we go back to uncompensated care, on top of operating on razor-thin margins, we are now going to say that not only are you operating on razor-thin margins, but you are not going to have your bills paid, making it impossible for you to meet payroll and impossible for you to continue to provide these resources. So we have real challenges in rural healthcare as a result of this budget and the Republican proposal. The President's budget also cuts nearly $400 million in Federal funds for substance abuse prevention and behavioral health workforce training ***programs*** at the same time that every part of this country--particularly rural parts of our country--is facing opioid abuse. In North Dakota alone, fatalities from opioid abuse have grown 125 percent. I met just yesterday with the North Dakota Medical Association, which told me that every day this week in Fargo, ND, there has been a death as a [[Page S3313]] result of overdoses. It is hard to imagine that is happening in our rural communities in places like North Dakota, but it is. I talked to a healthcare provider in Dickinson, ND, who told me that while his average percentage of Medicaid recipients in his hospital is about 15 to 20 percent, as it relates to opioids and behavior and mental health, it is well over 60, bordering on 70 percent. So the population, without Medicaid dollars, would not be able to get important rehabilitation and treatment services. Last week, I also visited one of our rural airports that are dependent on the Essential Air Service. That is absolutely critical to maintaining air service in Jamestown, in Devil's Lake, and now in Dickinson, which has gone back to Essential Air Service after years of not needing that support because of the growth in the Bakken oilfield. Last week, while talking to the folks in Dickinson, they told me there are 475 jobs which are dependent on the airport, which helped generate $76.6 million for the area in 2015. The Dickinson Airport would receive about $4.2 million in assistance from the Essential Air Service each year, but when we look at how that investment pays off in terms of dividends, it seems like a small price to pay. It would eliminate funding to protect water ***programs*** and infrastructure in rural areas which have improved water and wastewater systems for more than 40 North Dakota towns, Tribal reservations, and water districts since 2010. This budget would also eliminate the Community Development Block Grant ***Program***, which helped the State of North Dakota improve housing conditions for low- and moderate-income families with $4.9 million in investments in 2016. It would eliminate the Economic Development Administration, which has provided over $34 million in investments since 2009 to local economic development organizations in North Dakota, particularly those in rural towns. The list goes on and on and on. We haven't talked about the reduction in services for export markets. We haven't talked about research reductions at USDA and what that would mean. We haven't talked about eliminating trade assistance. All of these things have huge consequences for large pieces of the United States of America. What I would say to the administration is that rural America expects better. Rural America thought they were going to get better than this. Rural America has enough challenges. We have volatile commodity prices, healthcare shortages, declining populations, and I will tell my colleagues that today in North Dakota, there is a potential disaster from drought. The President's budget would not only not help rural America thrive, it would only make matters worse. Rather than taking an ax to proven, successful ***programs*** that strengthen our rural communities, we need strong investments in rural communities, jobs, and families, that help support North Dakota's future. With this budget, the administration's priorities are clear for everyone to see. It is now Congress's job to set spending priorities and fund ***programs*** in rural America to a level so that we know rural America can not only survive but can thrive. North Dakota needs and deserves a strong voice at the table. I will make sure that we tell the story of all of these ***programs***, that we tell the story of how critically important these ***programs*** are to maintaining our opportunity to ***produce*** food in our country but also to raise our children in rural settings. It is beyond belief to me that we are in this situation given the level of support that rural America provided to this administration and to this President during the last election. We know we can do better, and we will do better. We know we can't waste money. We know we have to deploy these valuable resources in ways that actually ***produce*** results. I can show my colleagues result after result after result and the importance of providing these services so that rural communities can thrive. I will close with this: A little-known fact is that so many of our rural communities today are the most impoverished places in America. When people think of poverty, they think of inner city poverty, they think of other pieces of America they have seen, but we know that the rates of poverty, the rates of challenges in terms of healthcare, education--those challenges are much greater in rural America. The last thing we need to do is saddle rural America with a 500-pound rock, put it on their backs, and still expect them to thrive. This budget is a 500-pound rock on the backs of our farmers who work every day to put food on their table, but more importantly, work every day to feed America. With that, I yield the floor and turn it back to my friend from the State of Minnesota. The PRESIDING OFFICER. The Senator from Minnesota. Ms. KLOBUCHAR. Mr. President, I again thank Senator Heitkamp for her understanding not just of farm policy but also the importance of keeping towns strong, manufacturing strong, and transportation strong. I will note that the infrastructure portions of this budget are very concerning. The point has been made by others that right now, under the proposed budget, at a time when our deteriorating infrastructure is costing our economy a lot of money--not just congestion, not just potholes, but in delaying getting goods to market--unfortunately, this budget proposal would cut funding for vital transportation ***programs***. It will eliminate funding for the TIGER Grant ***Program***. Currently, the ***program*** provides $500 million per year to help fund local transportation priorities. It eliminates funding for Essential Air Service, which helps support commercial air service to rural airports. It eliminates the Federal Transit Administration's Capital Investment Grant ***Program***, which funds light rail, heavy rail, commuter rail, street car, and bus rapid transit projects. We can't wait any longer to make critical investments in our infrastructure. Probably right up there with any of these infrastructure needs in rural America is broadband. Internet access is a great equalizing force for creating jobs and leveling the playing field. There is a big digital gap when it comes to rural America. I know the percentages; close to 40 percent of Americans in rural areas do not have access to high-speed broadband. It used to be that slow speed would be OK if someone were trying to email their kid in school maybe 10, 15 years ago, but this is not true anymore. Now, if you want to do your work, if you want to go to the hospital--whatever you want to do in rural America, you are going to have to have high-speed internet. I think about the doctor in Brainerd, MN, who for so long could look at x rays in the hospital but couldn't look at them in his home. If he had some emergency and wanted to talk to someone when he got home that evening, he had to go to the McDonald's parking lot to be able to do that. There was a student at one of our reservations who got Wi-Fi in his house, looked out the window, and all of a sudden all these kids were doing their homework in his front yard. That is just not right. Rural Americans deserve equal footing so they can launch new businesses, export their goods, or just Skype with their loved ones. This is about the farm bill, yes, but it is also about this budget and making sure this budget works for all Americans and leaves no one behind. Sadly, these cuts are specifically targeted at rural America. That is why we are going to fight to make sure, hopefully on a bipartisan basis with colleagues on the Republican side, we ***produce*** a budget that is fair to everyone. Mr. President, I yield the floor. The PRESIDING OFFICER. The Senator from Arizona. (The remarks of Mr. Flake pertaining to the introduction of S. 1305 are printed in today's Record under ``Statements on Introduced Bills and Joint Resolutions.'') Mr. FLAKE. Mr. President, I yield the floor. The PRESIDING OFFICER (Mr. Toomey). The Senator from New York. (The remarks of Mrs. Gillibrand and Mr. Cassidy pertaining to the introduction of S. 1313 are printed in today's Record under ``Statements on Introduced Bills and Joint Resolutions.'') The PRESIDING OFFICER. The Senator from Oregon. [[Page S3314]] Mr. WYDEN. Mr. President, I ask unanimous consent to bring two baskets of hemp products onto the floor of this body. The PRESIDING OFFICER. Without objection, it is so ordered. National Hemp History Week Mr. WYDEN. Mr. President, this is National Hemp History Week, a chance to recognize a product that has deep roots going way back in America but faces some of the most anti-farmer, anti-job, unjustifiable policies that are on the American legal books today. Because of its relation to marijuana, hemp can't legally be grown in American fields. Now, hemp is harmless. Hemp grown for industrial use simply does not have marijuana psychoactive properties. You are going to get as high off hemp as you will off a bag of vegetables. But, still, farmers in Oregon and across the country can't legally grow it. So if America is serious about banning harmless products like hemp, just because they are related to drugs, then I have bad news for fans of poppy seed muffins. This is the third year I have come to the floor during this time-- National Hemp History Week--to talk about the importance of industrial hemp, its huge economic potential for hard-working farmers, and the indefensible ban that keeps so many American farmers from growing it. As was the case before, I am joined by Malcolm McGeary from Southern Oregon, where a lot of farmers have an interest in this, to showcase a variety of hemp products in these baskets on the floor because, despite the ban on growing hemp, you can legally import it for use in products sold in stores across the country. What really changed my mind on this was when my wife was pregnant--we are older parents--with our third child, and we went into a Costco store. We went into a Costco store on a weekend at home in Oregon, and there were these big bags of hemp hearts, and it said: healthy, good for the blood pressure, fiber--everything that one would expect in Pennsylvania or Oregon. I know the Presiding Officer is one of the most physically fit members of the body. I see him in the gym all the time so he obviously cares a lot about nutrition. So Nancy and I were walking through Costco, and it said this giant bag of hemp hearts could be purchased there. You say to yourself: Let me see if I get this straight. The hemp comes from Canada, so the farmers must just be laughing all the way to the bank because they are making money. I get what we do is we put it in bags, and it is sold in Costco. That led me to the really intellectual concept of saying that if you can sell it at a Costco in Oregon, why can't our farmers grow it? It is not much more complicated than that. When you are shopping for hemp products, it is not just potato sacks and rough fabric by the yard. There is clothing, lotions and food, hemp milk, nutritional supplements--all these products Mr. McGeary has--used to make soaps, cleaners, and even deck stain. I understand Mr. McGeary may even be wearing a hemp tie. None of these products can be called 100 percent American because every bit of the hemp in these baskets had to be grown someplace else, which is essentially what I described as the Wydens toured Costco at home. When it was imported, it wasn't an American farmer earning money off that sale. Despite the consumer demand for hemp products and the ingenuity of so many ***producers*** who find uses for it, American farmers are cut out of the hemp equation. The ban on hemp is not anti-drug policy. I think that is what has been confusing with respect to this issue. The ban on hemp is not going to advance the cause of being against drugs. It is not anti-drug policy. It is anti-farmer policy, and it is anti-American jobs policy. As I indicated, if you can buy it in a local supermarket, the American farmer ought to be able to grow it. Yet year after year, despite a lot of work from Members on both sides of the aisle in this body and in the House, hemp remains on the controlled substance list. Hemp is not a drug. It is a big opportunity for our farmers. So it is long past time to end these statutory relics of history that cut American farmers out of a valuable market. Despite the fact that hemp continues to be stigmatized by Federal laws, there is some good news and progress. The 2014 farm bill began to chip away at the Federal ban. It OK'd hemp research projects led by universities and ***agriculture*** departments in States like Oregon and Kentucky that take a smarter approach to hemp. These projects are showing significant success. Farmers are ready to grow hemp, and States' ***agriculture*** departments are ready to regulate. The first steps, in my view, don't go far enough, and even some of these early projects remain tied up in redtape due to the Federal ban. In my view, the only real solution is a legislative solution. So here we have a bipartisan coalition, the kind of coalition you see in the U.S Senate when people really look into the facts and Members decide to make common cause. We have the good fortune of having the majority leader, Senator McConnell of Kentucky, as one of our principal sponsors; Senator Paul, his colleague; Senator Merkley; and I reintroducing the Hemp Farming Act. We pursued this for a number of years. I introduced it every Congress since 2011. Last year, our bipartisan bill had more than a dozen Senate cosponsors. This year, the goal is to again find common ground to remove hemp from the schedule I controlled substance list, give the go- ahead to farmers across the country who are ready to grow industrial hemp, and, once again, make it a true American crop. I hope my colleagues will join in the effort to celebrate National Hemp History Week. I hope they will use it to learn more about a very versatile crop, a safe crop, and one with really extraordinary potential to boost jobs in the economy, in our ***agricultural*** sector, and our domestic employment base. This is commonsense legislation. Again, we have the good fortune to be led by the majority leader, the distinguished Senator from Kentucky, Mr. McConnell. We will be introducing this commonsense legislation very shortly. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk proceeded to call the roll. Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. McCAIN. Mr. President, I rise in support of Countering Iran's Destabilizing Activities Act of 2017. For too long, a myopic focus on the Iran deal blinded the United States to Iran's persistent campaign to destabilize the Middle East and undermine America's national security interests. Iran has been given a free pass to detain U.S sailors in clear violation of international law, conduct ballistic missile tests in violation of the United Nations resolutions, support terrorist groups across the region, and prop up the murderous Assad regime in Syria. It is long past time for the United States and the international community to hold Iran accountable, not just for its commitments under the nuclear deal but for its destabilizing behavior across the Middle East. This legislation begins to do just that by imposing new sanctions on Iran's ballistic missile ***program***, applying terrorism sanctions to the Iranian Revolutionary Guard Corps, imposing sanctions on Iranians engaged in human rights abuses, and tightening enforcement on arms embargoes on the Iranian regime. I thank the chairman and ranking member of the Foreign Relations Committee, Senators Corker and Cardin, for ringing this bill to the floor. They recognize that the United States must not stand idly by when hostile regimes undermine and attack our interests and that of our allies. They recognize that regimes that aid and abet crimes against humanity must be held accountable. They recognize that weakness in the face of aggression is provocative. These are the reasons we must pass this legislation, but these are also the very same reasons this legislation must be amended to strengthen and expand sanctions against Vladimir Putin's Russia. In just the last 3 years under Vladimir Putin, Russia has invaded Ukraine, annexed Crimea, threatened NATO allies, and intervened militarily in Syria, [[Page S3315]] leaving a trail of death, destruction, and broken promises in its wake. Last year, Russia attacked the foundations of American democracy with a cyber and information campaign to interfere in America's 2016 election. It has been 8 months now since the U.S intelligence community publicly concluded that the Russian Government had attempted to interfere in our last Presidential election. On October 7, 2016, the Department of Homeland Security and the Office of the Director of National Intelligence stated that the ``U.S intelligence community is confident that the Russian government directed the recent compromises of e-mails from U.S persons and institutions, including from U.S political organizations.'' The statement concluded that ``only Russia's senior-most officials could have authorized these activities.'' On January 6, 2017, the U.S intelligence community went even further, concluding: Russian President Vladimir Putin ordered an influence campaign in 2016 aimed at the United States presidential election. Russia's goals were to undermine public faith in the United States democratic process, denigrate Secretary Clinton, and harm her electability and potential presidency. The intelligence community ``did not make an assessment of the impact that Russian activities had on the outcome of the 2016 election,'' but they did warn that ``Moscow will apply lessons learned from its Putin- ordered campaign aimed at the U.S Presidential election to future influence efforts worldwide, including against U.S allies and their election processes.'' Since January, months of congressional hearings, testimony, and investigative work have reinforced these conclusions: that Russia deliberately interfered in our recent election with cyber attacks and a disinformation campaign designed to weaken America and undermine faith in our democracy and our values. Vladimir Putin's brazen attack on our democracy is a flagrant demonstration of his disdain and disrespect for our Nation. This should not just outrage every American, it should compel us to action. But in the last 8 months, what price has Russia paid for attacking American democracy? Hardly any at all: modest sanctions against a few Russian individuals and entities, some Russian diplomats and spies sent home to Russia, two spy compounds have closed, at least for now--and all of this reversible and at the discretion of the President. What has Russia's reaction been to America's tepid response and reaction to its aggressive behavior? More of the same. More aggression, more meddling. Russia attempted to overthrow the democratically elected Government of Montenegro and murder its Prime Minister. Russia attempted to interfere in France's election. We have already seen attempts to influence German public opinion ahead of the elections in September, and there is every expectation that Russia will do the same thing in the Czech Republic, Italy, and elsewhere in future elections. Sooner or later, my friends, there will be another American election that captures Russian attention and interest. The victim may be a Republican or a Democrat. To Putin, it won't matter because his targets are not Republicans or Democrats but Americans and all that we stand for as a people. He seeks to sow dissent amongst us and divide us from one another, to erode our resolve to resist his dark and dangerous view of the world, and to undermine our confidence in ourselves and our belief in our own values. We must take our own side in this fight--not as Republicans, not as Democrats, but as Americans. It is time to respond to Russia's attack on American democracy with strength and resolve, with common purpose, and with action. Together with Senator Graham and a number of other Senators, I am prepared to offer an amendment to this legislation that will begin to do just that. It incorporates some of the best ideas from different pieces of legislation already introduced in the Senate, ideas that have broad bipartisan support. The amendment we are talking about would impose mandatory sanctions on transactions with the Russian defense or intelligence sectors, including the FSB and the GRU, the Russian military intelligence agency that was primarily responsible for Russia's attack on our election. The amendment would impose mandatory visa bans and asset freezes on any individual who undermines the cyber security of public or private infrastructure and democratic institutions. It would impose mandatory sanctions on those who assist or support such activities. The amendment would codify existing sanctions on Russia by placing into law five Executive orders signed by President Obama in response to both Russian interference in the 2016 election and its illegal actions in Ukraine, and it would take new steps to tighten those sanctions. For example, Russia's ability to issue new sovereign debt essentially allows Russia to borrow money from global capital markets to offset pressure from existing U.S and European sanctions. So this amendment would impose mandatory sanctions on U.S and third-party investment in sales of Russian sovereign debt as well as in the privatization of Russian state-owned assets. The amendment would target the Russian energy sector, which is controlled by Vladimir Putin's cronies, with sanctions on investments in Russian petroleum and natural gas development as well as Russian energy pipelines. We also need to put additional pressure on the ability of Putin and his cronies to move money they have looted from the Russian state. So this amendment would mandate that the Secretary of the Treasury establish a high-level task force within the Department's Financial Crimes Enforcement Network that would focus on tracing, mapping, and prosecuting illicit financial flows linked to Russia if such flows interact with the U.S financial system. The task force would also work with liaison officers in key U.S Embassies, especially in Europe, to work with local authorities to uncover and prosecute the networks responsible for the illicit Russian financial flows. Finally, recognizing that Russia seeks to undermine not just American democracy but Western democracy altogether, this amendment would provide support to the State Department, the Global Engagement Center, and USAID to help build the resilience of democratic institutions in Europe against Russian aggression exerted through corruption, propaganda, and other forms of political interference. We need a strong Russia sanctions amendment. We need it now. We need it on this piece of legislation. We need this amendment because we have no time to waste. The United States of America needs to send a strong message to Vladimir Putin and any other aggressor that we will not tolerate attacks on our democracy. There is no greater threat to our freedoms than attacks on our ability to choose our own leaders free from foreign interference. So we must act accordingly, and we must act now. Mr. President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. BLUMENTHAL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Gardner). Without objection, it is so ordered. Mr. BLUMENTHAL. Mr. President, this body has a dual obligation--to ensure that there are sanctions against Iran for its destabilizing activity around the region and, indeed, the world but also sanctions against Russia for its interference with our election--one of the core democratic institutions of our Nation--as well as other acts that are hostile to the world order and to world peace. I support S. 722, the Countering Iran's Destabilizing Activities Act, but I strongly believe it should have Russian sanctions included as well. As the Senate proceeds to this urgently needed measure, Iran's own Parliament has suffered an ISIS-claimed terrorist attack in Tehran. I condemn that act of terror--one of many the world has suffered because of ISIS. We are at war with ISIS as we are with terrorists--extremism-- around the world. It intentionally targets civilians. It uses violence to spread terror and destabilize the Middle East. ISIS has been a world terror organization. [[Page S3316]] The fact that Iran's leaders themselves direct and glorify terrorism against Israel and the United States does not diminish the horror of what has occurred. People of all faiths from an increasingly diverse number of nations have become victims of this terror spread by ISIS and Iran. What occurred today is, sadly, more evidence that Iran's unconditional support for Bashar al-Assad is directly counter to the interests of the Iranian people and our ongoing efforts to defeat ISIS. We must hold Iran accountable. We must hold it accountable for its many malign activities through increasing and enforcing strong, targeted sanctions. I thank my colleagues, including Senator McCain, who just spoke so forcefully on the floor, Senator Menendez, Senator Corker, Senator Cardin, as well as other colleagues who have worked on this cause. We must hold Iran accountable for the threat its acts of terrorism pose to our national security. We must hold it accountable to the threat its missile ***program*** holds to our allies, including Israel-- our major ***strategic*** partner in that region. We must hold Iran accountable for the gross violations of human rights and war crimes that it and Russia together are perpetrating in Syria. In the last few months, Iran has tested and fired ballistic missiles, tested a new Russian-made air defense system against missiles, and harassed U.S ships. It continues to arm and enable the Hamas terrorist organization, the despotic Assad regime, and the supply of weapons to Hezbollah. It has enabled Hezbollah to amass 150,000 rockets and missiles--all aimed at civilians in Israel. Last month, the State Department released a report on Iran's human rights violations. It continues to show a troubling trend of abuse and notes that Iran has more than 800 political prisoners and that it executed at least 469 people just last year. We know that sanctions must be targeted and continually strengthened to deter Iran. This legislation will impose sanctions on Iran for its support of terrorism, human rights violations, and ballistic missile development. That includes sanctioning any person who knowingly violates arms embargoes or materially contributes to Iran's ballistic missile ***program***. It also includes terrorism-related sanctions on members of the Islamic Revolutionary Guard Corps and its affiliates-- going beyond members of the Quds Force, who are already sanctioned. In no way does this sanctions ***program*** contradict or undermine the nuclear agreement with Iran. That agreement provided us and our allies the time and space to now push Iran to end its malign activities without the imminent threat of a nuclear weapon. Congress must do everything it can to authorize new measures against Iran and ensure that this new administration effectively enforces them. We must also seize this opportunity to hold Russia accountable as well for its egregious, aggressive behavior and ongoing violations of international law. Russia's cooperation with Iran, including providing Iran with an S- 300 air missile defense system that it recently tested, strengthens Iran as it fuels and finances a network of terrorism. Under Putin's direction, Russia both enabled and tried to cover up crimes in Syria. It invaded Ukraine. It illegally annexed Crimea. It attacked and interfered with our democracy. Enough is enough. That is why I urge this body to adopt Russian sanctions as part of S. 722. Sadly and dangerously, our President has proven time and again to be unwilling to hold Vladimir Putin accountable. Congress must ensure that he does so. It must ensure that Russia receives a clear, unequivocal signal through this measure, Senator Cardin's Counteracting Russian Hostilities Act, and Senator Graham's Russia Sanctions Review Act, as an amendment to be adopted by this body to the Iran legislation, which I helped author. These measures are critical to sending a message that we will hold Russia accountable for its lawbreaking, its support of terrorism, its interference in our elections, its annexation of Crimea, its invasion of Ukraine, and its violation of the INF Treaty. I can accept nothing short of including these Russia bills to move forward to a final vote. I will support S. 722, but I believe there is a track and a path for this body to do both, and we must do it. The imposition of mandatory sanctions codifying former President Obama's Executive orders regarding Ukraine and malicious cyber activity, as well as targeting individuals and entities contributing to Russia's oil and gas industries, should be part of this final passage. We cannot afford to wait any longer to take action. I am disappointed that the President has seemed disinterested or at least unwilling to join in these sanctions against Russia. Unfortunately, the testimony that former Director Jim Comey will deliver tomorrow provides evidence as to possible motive and intent in his discussions with Comey that reflect on his apparent willingness to tolerate this aggressive conduct by Russia without holding it accountable. This testimony from Director Comey is an explosive corroboration of the facts that have been reported--that the President asked for loyalty, threatening Jim Comey's job, and tried to influence the FBI's ongoing criminal investigation on multiple occasions. This conduct shows unequivocally the disdain the President has for the rule of law and clearly demonstrates that he believes he and his friends and family are above the law. I am saddened and I am chilled that this harrowing account will be given to the Senate Intelligence Committee rather than, in fact, in a fictional spy novel. Director Comey deserves credit for his willingness to come before the committee, for his apparent candor and truthfulness, and for his resistance to those demands for a pledge of loyalty and an end to the Flynn investigation, even when it meant his firing. His testimony should serve as evidence in the investigation led by Robert Mueller but also as evidence that Mr. Mueller must have unimpeded space, resources, and independence to conduct his investigation. I will take action as a member of the Judiciary Committee to seek oversight simply to ensure that those resources are independent and are safeguarded. With this documented proof, clearly the White House has sought to derail our law enforcement officials in their enforcing of the law. We must ensure an end to such conduct, and we must send Russia a signal that, in fact, it will be held accountable; that the investigation into its meddling in our election will be pursued vigorously and aggressively; that anyone in this country who colluded with or aided and abetted that meddling will be held accountable; and that there will be no obstruction of justice. This goal should unite us across the aisle on a bipartisan basis. Thank you, Mr. President. Mr. DURBIN. Mr. President, I voted no today on the motion to invoke cloture on the motion to proceed to consideration of S. 722, the Iran sanctions bill. I did so not because I oppose the underlying bill and the need to further sanction Iran's belligerent missile and terrorist activity; in fact, I support that legislation. I voted no to give a moment's pause after the terrible ISIS attack in Tehran that just occurred. Earlier today, a pair of deadly attacks occurred over several hours in Tehran, including in the nation's parliament building, indiscriminately killing at least 12 people and wounding dozens more. The heavily armed assailants targeted guards, cleaners, and administrative employees of the parliament. ISIS later claimed responsibility for this barbaric attack. I certainly have my differences with the Iranian regime, its continued sponsorship of Hezbollah and Hamas, its threats to Israel, its proxy wars in Yemen and Syria, and its human rights abuses, but we must remember that the Iranian regime isn't the same as the Iranian people, many of whom expressed sympathy with the American people after we suffered the horrific attack on September 11. In fact, the Iranian Government issued a surprisingly strong statement of condemnation of the terrorists responsible after the September 11 attack. There was even some hope after those statements that our two nations might work together on other shared interests, although unfortunately, other than the historic nuclear agreement, that has not come to pass. Nevertheless, I think it is important that we pause and reaffirm the statement made today by our State Department that condemns the attack in Iran [[Page S3317]] and expresses condolences for the families and victims. I also think it is critical that we finally take some action here in the Congress to address Russia's attack on our election, which occurred more than 7 months ago. We have overwhelming evidence of this historic attack--an attack that I liken to a cyber act of war. The majority party here in Congress has done nothing to respond to Russia's aggression or to help protect America against any future such attack on our democracy. President Trump still refuses to acknowledge the Russian attack-- seemingly more interested in befriending the Russians and complaining about former Federal Bureau of Investigation Director Comey than convincingly telling Russia to never interfere in our election again or face the consequences. This lack of resolve is truly an abdication of our national security responsibilities in Congress. As one Polish security expert recently warned me, if the United States does not respond to the Russia attack on its own democracy, then Putin will feel emboldened and free to conduct further such attacks against other Western democracies. Sadly, that has already proven true--just look at Russia's meddling in the recent French, German, and Dutch elections. As we act to address Iran's troubling missile and destabilizing activity in the Middle East, including its continued threat against Israel, we must also act against Russia, which conducted a cyber act of war against our Nation. We must ensure that existing sanctions placed on Russia for its destabilizing actions in Ukraine and Europe and its attack on our election are not lifted until such Russian actions are reversed or addressed. I voted no on cloture today--out of respect for the Iranian people who suffered the horrific attack today and because I think it is long overdue for the Congress to finally respond to Russia's attack on our Nation--and stand prepared to support the final Iran sanctions bill after addressing these matters. Mr. BLUMENTHAL. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. WHITEHOUSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Climate Change Mr. WHITEHOUSE. Mr. President, Donald Trump has decided to withdraw the United States from the Paris Agreement on climate change. This is a decision that may prove to be one of the worst foreign policy blunders in our Nation's history. There is no denying the mounting threat of climate change. We observe rising seas, warming global temperatures, and melting glaciers and ice sheets. Yet the President cast aside a historic global agreement forged through American leadership. Americans now ask what to do next. For individual citizens, my answer is simple: Take action. Join an environmental group. Support science and scientists. Organize in your community. Many Americans have been publicly pledging to meet the goals of the Paris Agreement through movements like the ``I am still in'' pledge. Every action, big and small, counts. American corporations must also act. Unfortunately, they have been AWOL in the politics of climate change. This has been so frustrating because so many of them have great climate principles. They just abandon them when they come to Washington. That is why, for my 169th ``Time to Wake Up'' speech, I have a message for corporate America: First, know that you are hugely influential in Congress. You command extraordinary attention in our political system. This gives you a unique power against the Breitbart fake-news spigot, the shameless fossil fuel industry, and the Koch brothers' climate denial operation, which were all behind the President's fateful decision. President Trump's brain-dead withdrawal from the Paris accord may prove to be for the best if it creates heightened political interest in climate action from American business leaders. At the moment, corporate political interests in climate action, setting the fossil fuel industry aside entirely, still averages out below zero. As a Senator, I see corporate America's lobbying efforts in Congress firsthand. Here are some highlights: Silicon Valley lobbies through an organization called TechNet. TechNet represents Goliaths, like Microsoft, Apple, Google, and Facebook, all of which have great climate policies. TechNet also represents clean energy companies, like Sunrun, Bloom Energy, and SolarCity. TechNet came again this year to lobby Congress on its six priorities. Here is a page from the actual lobbying materials that TechNet brought to our meeting. The group's Federal policies are these: tax reform, high-skilled immigration reform, education and workforce development, entrepreneurship and job creation, smart infrastructure, and digital trade. Climate change did not make it onto TechNet's priorities list. Even clean energy failed to make it onto the list of the organization that includes Bloom Energy, SolarCity, and Sunrun. This is not a matter of these giants being cowed by the Trump administration. TechNet came last year when Obama was President, and climate change was not on their agenda then, either. Indeed, the week TechNet came last year, I also had a visit from the timber and lumber industry. Despite what climate change is doing to America's forests, climate change was not on the lumber and timber industry agenda. That very same week, the property casualty insurance industry came to meet me. These insurance companies write the big checks when climate change sends Mother Nature haywire. Climate change was not mentioned by this industry, either. That was quite a week. Big business lobbying on climate change is actually worse than zero because the big business trade associations and lobbying groups are often run by the fossil fuel industry. Green energy manufacturers, represented in Washington, DC, by the National Association of Manufacturers, will find their own association lined up against them on climate change. The U.S Chamber of Commerce is one of climate action's most implacable enemies, despite the good climate policies of so many companies on its board. These lobby groups are the most persistent voices of America's business community here in Congress. They are the ones who are most active, and they are constant enemies on clean energy and climate action--despite the companies they represent--because, in truth, they answer to the fossil fuel industry, not the business community, when it comes to climate change. Here is how this can play out. Coca-Cola and PepsiCo are the two biggest beverage companies in America. Both have excellent climate policies. Pepsi even supports Ceres, a fledgling business lobbying group for climate action, but their trade association, the American Beverage Association, takes no lobbying interest in climate change. It knows how to lobby. We can see the lobbying expenditures run up in 2009 and 2010, when they were concerned about Congress's taxing sweetened drinks or corn syrup. It just takes no interest in climate issues. Worse, Coke and Pepsi run money through the American Beverage Association to the U.S Chamber of Commerce. Add their lobbying all up, and Coke and Pepsi do virtually nothing themselves. A few ounces of credit go to Pepsi for supporting Ceres. Their American Beverage Association trade group doesn't lift a finger to help, and the U.S Chamber of Commerce is a brute force adversary. The result is that the net lobbying presence of Coke and Pepsi in Congress on climate change is exactly opposed to the two companies' stated policies on climate change. They say one thing; their lobbying effort does the opposite. On the other side of the fossil fuel divide, the heavy political hand of the fossil fuel industry is felt constantly around here, and that heavy hand is mercilessly opposed to any climate action and enforces its will with a parade of political weaponry akin to those old Soviet May Day parades of tanks, rockets, and artillery. Cross them, and they [[Page S3318]] come after you hard. Ask former Congressman Bob Inglis. He urged his fellow Republicans to heed the climate science and was hammered for it. Also, no one should buy the phony assertions by Big Oil CEOs that they recognize that climate change is real and support putting a price on carbon. They say that. ExxonMobil's CEO said that to his shareholders again just last week. In the Senate, I am the Senate author of a carbon price bill. I know who is lobbying where on carbon prices, and I can tell you their statement is just not true. Every single element of that Soviet May Day parade of fossil fuel political weaponry is dead set against any such thing. What do we conclude from that? Either Big Oil's CEOs don't know what their own lobbying apparatus is doing, or they are just not telling the truth. You guess which. The strategy of the fossil fuel industry has been to control the Republican Party. You can jam things up by jamming up one party, and you can make it look like it is a partisan issue when it is just old- fashioned, self-interested lobbying. In order to accomplish that purpose, the worst of the political threats and blandishments of the fossil fuel industry are directed against Republicans. As long as legitimate corporate leaders in America sit idly by while fossil fuel terrorizes and corrupts the Republican Party, there will not be much progress. ``But, oh,'' some will say, ``there aren't Republicans who will respond. This is too partisan an issue. It will be a wasted effort.'' Not so. I came to the Senate in 2007, and for years there was bipartisan action on climate change--2007, 2008, 2009. It only stopped when the fossil fuel industry secured from five Republican-appointed Justices on the Supreme Court the disgraceful Citizens United decision of 2010. In 2007, lots of bipartisan activity; 2008, lots of bipartisan activity; 2009, lots of bipartisan activity; 2010, Citizens United--dead stop. That Citizens United decision is what started the fossil fuel Soviet May Day parade of unprecedented political artillery. No special interest had that kind of political artillery before Citizens United opened it up, and much of the post- Citizens United effort has been using dark money to hide the fossil fuel industry's hand. Since Citizens United, there has been no bipartisan climate action, but that doesn't mean there aren't still Republicans willing to work with us. I know this firsthand. There are Republicans willing to work with us. They just need to know somebody will give them safe passage through the political kill zone that Citizens United has let the fossil fuel industry create. Well, with the Trump administration now all the way over in the ``fossil fuel, Breitbart, Koch brothers climate denial corner,'' it now rests on the shoulders of the legitimate business community to come off the sidelines. They can't count on this administration. They now have to come off the sidelines themselves and do so in strength commensurate with the seriousness of the problem. If, as a country, we pitch ourselves and the world into the present worst-case climate change scenarios, billions of people will suffer, and suffering people want answers and justice. It will become hard to defend to them our American system of democratic government against charges of corruption and our system of market capitalism against charges of indifference. Government has been corrupted by fossil fuel interests, and too many companies are indifferent. You can't make a case without the facts to back it up, and American companies, more than anyone else, benefit from a world order where liberal democracies prevail. So the stakes for the American business community are very real. The political mischief of the fossil fuel industry and its front groups will leave a lasting stain on the democracy we all treasure. It is time, in the wake of the President's decision on Paris--isolating America with Syria as our companion in isolation--it is time that the decent and honorable business community played a meaningful role in setting this right. To them, I say: Trump has betrayed you so now is the time to align your industry's political engagement with your industry's position on climate. That is not asking much. We are only asking that American corporations align their political engagement on climate change with their actual position on climate change. If you take climate change seriously, great. Take it seriously when you come to Congress. The United States of America, where 1 day after D-day--a day when Americans stormed ashore to free the continent of Europe, fought their way through to knock down Nazi tyranny, and then rebuilt Europe under the Marshall ***Plan*** and came home--that country ought not to be a pariah nation with Syria. We needn't be a banana republic for fossil fuel. We can lead the world into a brighter, cleaner, safer energy future, but it will take an effort. So, corporate America, let's make the effort. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. BENNET. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. 70th Anniversary of the Marshall ***Plan*** Mr. BENNET. Mr. President, it is nice to see the Presiding Officer in the Chair. Because he is a student of history, I know it will come as no surprise to my colleague from Colorado that this week marks the 70th anniversary of the Marshall ***Plan***. In 1947, Europe was in ruins. After years of war, factories from Manchester to Munich had been bombed out. Railroads laid disfigured from artillery. Farms stood defaced by the tracks of a thousand tanks. Across the continent, Europe's once humming economies stood silent. Over 60 million people had died, including 6 million Jews who were killed in the Holocaust. Here in the United States, we mourned the loss of over 400,000 of our soldiers. We had spent, in today's dollars, nearly $4 trillion to secure that victory in World War II. But to secure the peace, our leaders understood that even more was required of us. Truman's Secretary of State, George Marshall, told the Nation that without a return to ``normal economic health in the world,'' there could be ``no assured peace.'' In other words, if famine and poverty remained unchecked across Europe, unanswered, fascism and communism would soon follow, threatening U.S interests and global stability at the same time. So after years of sacrifice--sacrifice that this generation of Americans, thank goodness, has never had to endure--the easy course would have been to withdraw behind the Atlantic and the Pacific, turn our back on the world, and embrace isolation. Instead, we proposed the Marshall ***Plan***, a bold investment to revive Europe's economies, modernize industry, and expand trade, not only for allies like France and Britain but also for our enemies, Germany and Italy. It was extraordinary that political leaders here once made those decisions. I struggle to think of a time in human history when the victor helped to revive the vanquished with no strings attached, no colonial objective. As the Marshall ***Plan*** made its way through Congress, leaders in Washington made the case to the American people, even standing firm against some who wanted to require European countries to buy only American products with the aid that we gave them. Still in the years to come, American farmers and manufacturers would fill millions of crates of wheat and wood, of sugar and steel to rebuild Europe from the ravages of war. President Truman understood that, in time, strong European economies would become strong trading partners, strong military allies, and a bulwark of freedom against Soviet expansion. History proved him right, to say the least. After the Marshall ***Plan***, Western Europe surged back to life as Eastern Europe stagnated behind the Iron Curtain. In the West, production rose and hunger fell. Foes became friends. Bonds across the Atlantic solidified. Investments through the Marshall ***Plan*** helped lay the foundation for NATO, the common market, and the European Union. Few actions in our foreign policy have been as consequential for America's long-term interests, for our national interests, and all at a cost of $150 billion in today's dollars--25 times less than the total cost of World War II [[Page S3319]] and about 25 times less than what we paid in the wars in Iraq and Afghanistan. As President Truman invested in Europe's recovery, he also helped fashion a new world order from the rubble of war. American leadership forged global institutions to enshrine our interests and values around the world for generations, giving rise to the World Bank, the International Monetary Fund, the United Nations, and the entire international system that we have today. Seventy years ago, President Truman had the vision to think longer term. He had the wisdom to see that what was good for others was often good for us as well. And he had the courage to ask our citizens to lead, to sacrifice, and to believe that even after the second war in a generation, it was still within their power to shape a lasting peace. Those actions, those qualities are why Truman's Presidency marks one of the finest periods in American foreign policy in the history of our foreign policy. The comparison with what we are seeing today just couldn't be starker. Under the banner of putting America first, President Trump has undermined our interests at nearly every turn. At a time when China proposes to spend over a trillion dollars to expand its global influence with new railroads from Hungary to Kenya, new bridges and tunnels linking Southeast Asia together, and new electrical plants to power Pakistan, President Trump proposes to slash our foreign assistance advancing U.S interests around the world. At a time when NATO faces challenges to its east and south, President Trump publicly rebukes the alliance and refuses to reinforce its bedrock principle of collective security. As the recent terrorist attack unfolded in London, President Trump took to Twitter to promote his political agenda and sow fear in the wake of that attack. In the face of challenges like extremism and instability that demand 40-year strategies like the ones President Truman had in mind, President Trump is conducting his foreign policy 140 characters at a time. Now, as the world unites to confront the perils of climate change, our President has withdrawn from the landmark Paris Agreement, which we helped forge, in a shameful abdication of America's global leadership. In doing so, the President ignored the voices of millions of Americans and thousands of businesses, urging him--against the arguments that he made--to stay in the agreement for climate reasons, for economic reasons, and for national security reasons as well. By withdrawing from it, the President has turned his back on millions of people across the globe, as well, mostly the poor, who are already on the edge of crisis, who may face drought, displacement, and famine from a warming planet. America has a strong interest in avoiding that future. Anybody who has seen what has happened since the Arab Spring understands what resulted from a doubling of the price of wheat in Egypt. A wise leader could see that. A President Truman would see that. Like the Marshall ***Plan***, the Paris Agreement recognized that in the modern world there is no ``over there'' anymore. Today, over there is here, and here is over there, and our President fundamentally doesn't understand it. He claimed that withdrawing from the Paris Agreement would ``put America first.'' In fact, this move threatens to put America last--last in innovation, last in clean energy, last in science, last in our moral responsibility to hand the next generation a safe and stable planet. That is why States and cities all across the country are making their own commitments to honor the Paris Agreement. Now it is just us, Nicaragua, and Syria on the other side. That is why towns, cities, and States all across the country are scrambling to fill the void of leadership left by the administration to show the rest of the world that we are serious too. In my home State of Colorado, we know that we can protect our economy and our climate, that we can grow our economy and protect our climate. We see those as linked together. You can't do one without the other. We developed the first State limits on methane pollution. We passed the first voter-led renewable standard in the entire Nation. We established our own limits on carbon pollution. And in the process, we have created 13,000 renewable energy jobs, with wind jobs alone expected to triple by 2020. On average, those jobs pay a salary of $50,000. We are manufacturing again in our State with the supply chains that come along with it. What comes with those commonsense regulations? One of the strongest economies in America, the lowest unemployment rate in America, and we see this all across the country. New energy jobs are growing 12 times faster than the overall economy. The President doesn't see any of that. In a matter of months, from foreign assistance, to global alliances, to terrorism and climate change, the administration has imperiled America's stature with a shortsighted and willfully ignorant agenda that is profoundly out of step with the realities of the world and the interests of the people of the United States. In a recent op-ed, senior officials from the administration painted the world as no more than an ``arena'' where nations ``compete for advantage.'' They were trying to explain the President's behavior while he was in Europe. That attitude marks a huge departure from generations of American foreign policy. This is not about the Obama administration; this is about a set of traditional American values and approaches to the world that we have had almost since the Nation's founding, and the space the President is creating out there in the world by abandoning those treasured American values gives space to those who seek every single day to undermine the liberal world order that has allowed our country and allies across the globe to succeed. The President should understand that generations of leaders in the United States have put America first. They have always put America first--not in slogans or stump speeches but in the alliances and institutions we built, the values we champion, the alliances we forged that have given our world 70 years of peace and prosperity. That is a legacy upon which we must build--one that has put America first and has kept America first today and, if we act wisely, I think for decades to come. Mr. President, I yield the floor. The PRESIDING OFFICER (Mr. Lee). The Senator from Kansas. (The remarks of Mr. Moran are printed in today's Record during consideration of S. Res. 174.) Mr. MORAN. Mr. President, I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. CASEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. CASEY. Mr. President, I ask unanimous consent to speak as in morning business. The PRESIDING OFFICER. Without objection, it is so ordered. Healthcare Reform Mr. CASEY. Mr. President, I rise today to speak about the destructive path that the majority is headed down with their attempts to repeal the Patient Protection and Affordable Care Act. The Republican bill, and, frankly, the House Republican bill that the Senate is now considering in addition to other ideas is, in my judgment, not really a healthcare bill but a tax cut bill. It is a tax cut bill for the super-rich--not only the rich but, literally, the wealthiest few Americans--while increasing costs for middle-class families. It gives States the option to allow insurance companies to discriminate again like they did before the ACA was passed. It would also allow those same policies to devastate our hospitals, particularly those in rural communities. I live in a State where 48 out of 67 counties are, in fact, rural counties. The Republican bill would rip away healthcare, according to the Congressional Budget Office, from 23 million Americans. Here is what that means in Pennsylvania, based upon the Congressional Budget Office numbers: Up to 770,000 Pennsylvanians could lose health insurance by 2026 if the bill were to pass, 48,000 Pennsylvania seniors on Medicare could lose access to services covered by Medicaid, and 52,600 Pennsylvanians with disabilities could lose Medicaid coverage. I live in a State [[Page S3320]] where, according to the Center on Budget and Policy Priorities, over 722,000 Pennsylvanians with disabilities rely on Medical Assistance for their medical care. Medical Assistance is the State version of Medicaid. We know that if you are a child, if you are a senior, or if you have a disability, many Americans in those categories, of course, rely upon Medicaid. We also know, based upon the CBO numbers, that 180,000 Pennsylvanians could lose access to mental health and substance abuse care now provided by Medicaid. We have heard a lot of talk, and there has been a lot of work, actually, in this body, as well as in the other body, in the last year on the opioid problem. We have Democrats and Republicans focusing on a major national problem, an urgent public health problem. We have made some progress--not enough but some good progress--on opioid legislation. All of that would be badly undermined if we made the changes to Medicaid that some want to make here because of the significant impact that cuts to Medicaid would have on the challenge of reducing the opioid crisis. So even the possibility that this bill might become law is, in a sense, destabilizing to the healthcare marketplace, which has been better each year we move forward from the passage of the ACA in 2010. Just last week, the Pennsylvania Insurance Department announced average proposed rate increases for health insurance premiums for 2018. Here is what the Pennsylvania Insurance Department told us. If we maintain current law, premiums will go up 8.8 percent in Pennsylvania. If the Republicans get rid of the cost-sharing subsidies, which many seem either to want to get rid of or to want to ignore, thereby creating uncertainty--if those cost-sharing subsidies are thrown out the window--premiums will go up 2.5 times as much, by over 20 percent. So far, it is 8.8 percent under current law or 20 percent just based upon the cost-sharing subsidies being taken away. Also, if the individual mandate is repealed, premiums will go up almost three times as much, by 23 percent. If we get rid of both the cost-sharing subsidies and the individual mandate, premiums in our State will go up by over 36 percent. So we have a basic choice to make, at least as it relates to Pennsylvania. Under current law, it is 8.8 percent, and we should try to bring that down. I think there are ways we could work together in a bipartisan fashion to bring that down. But if we go in the direction that many want to go--especially on the Republican side--to undermine or to do nothing about cost-sharing and get to rid of the individual mandate, premiums go up 36 percent. So folks can make their choice to go up about 9 percent or to go up 36 percent. It is a real simple choice with basically two options. The bill that was passed in the House would destroy the lives of many vulnerable Pennsylvanians. What should we do about it? Well, the first thing we should do with the bill is to throw it in the trash heap. That is where it belongs, and I hope that is where Senate Republicans are headed and that they are going to start over on a new bill, because the bill that was passed in the House is very bad for the country. Among the 3 million Pennsylvanians with preexisting conditions are two remarkable young women whose mother first contacted me in 2009. Stacie Ritter, from Manheim, PA, is the mom of four children, including her twin daughters, Hannah and Madeline, who are depicted here in this picture when they were much younger. Hannah and Madeline were diagnosed with a rare and dangerous type of leukemia when they were just 4 years old. You can see their picture there at that time. Stacy and her husband Benjamin went bankrupt trying to pay their daughters' medical bills. She wrote to me at the time, saying that without healthcare reform, ``my girls will be unable to afford care, that is if they are eligible, for care that is critically necessary to maintain this chronic condition.'' Fortunately, things have changed in the last 8 or so years. Fortunately, Hannah and Madeline are healthy young women now. They are freshman at Arcadia University and are doing well. They rely on the Affordable Care Act's protections to ensure that they have access to affordable coverage, whether they are on their parents' ***plan*** or purchasing a ***plan*** in the individual market. As you can see on my left, this is a picture of Hannah and Madeline today as college freshmen. Without the Affordable Care Act, Hannah and Madeline could be denied health insurance. As their mom said, they could be ``punished and rejected because they had the misfortune of developing cancer as a child.'' The Republican bill passed in the House would put them at risk of being denied health insurance or being charged more because they are cancer survivors. I don't know why anyone would support a bill that would do that. Just a number of months ago I received a letter from Pam Simpson from Chester County, PA. Pam and her son Rowan have their story to tell. Rowan is 5 years old, and a number of years ago he was diagnosed with autism. I have talked about Rowan before on this floor and in other places and what Medicaid means for Rowan and his family. Medicaid provides important services for Rowan and others with disabilities, enabling Rowan to go to preschool and allowing his mother to work. Here is what his mom said to me. I won't read the whole letter, but I will just highlight the first page. The first page is Rowan's life before he was diagnosed with autism-- all of the challenges that he and his family had--and Rowan's life after the diagnosis of autism, but, then, ultimately, when he received Medicaid, or Medical Assistance, as we call it in Pennsylvania. Here is what his mom told me in the letter after he received word that he was going to be enrolled in Medical Assistance: Late January 2016, I applied for Medicaid. That is Medical Assistance. After Rowan was awarded Medical Assistance, we were able to obtain wrap-around services. These services included a Behavioral Specialist Consultant and a Therapeutic Staff Support worker. She goes on later in that paragraph to say that these wrap-around services ``have been a Godsend.'' Then she goes on later and says: I am thrilled by Rowan's daily progress. I cannot say enough good things about this ***program***. Then she says: Without Medical Assistance, I am confident that I could not work full time to support our family. Our family would be bankrupt or my son would go without the therapies he sincerely needs. Here is the last line of her letter: We are desperately in need of Rowan's Medical Assistance and would be devastated if we lost these benefits. She is referencing ``Medical Assistance'' for Medicaid, the same ***program*** at the State level. So we have two families now that are totally reliant on these ***programs***, either the ACA more broadly or, in particular, the Medicaid ***Program***. Both families have referenced bankruptcy because of healthcare challenges in the life of that family--one who would be on the brink of bankruptcy, Rowan's family, and the other, who actually went through bankruptcy because of those healthcare challenges. No family in the United States of America should have to worry about going bankrupt because of a healthcare problem. We are well on our way to solving these problems, and no one should pull the rug out from under those families. But, unfortunately, when it comes to this legislation, that is exactly what could happen to many of them. I will give a third example: Alex. Recently I met Alex, who is from Southeastern Pennsylvania. He is 9 years old, and he has Down syndrome. Here is what Alex, a 9-year-old, wrote: Although I have a medical diagnosis of Down Syndrome, I am an excellent student. I get 100 percent on my spelling tests and I get picked as the Math King quite often. . . . My parents, my teachers, and everyone around me thought from the beginning there was nothing that I could not do. . . . I am able to get a good education because of the supports that I get from Special Education. That's why I am very concerned about the possible cuts in Medicaid funding in schools. . . . Medicaid funding in schools is a very, very important part of what makes it possible for us to receive successful education in school and become contributing members of our society. That is a 9-year-old in Pennsylvania reminding us about this important ***program***. Alex has tremendous potential that would be in jeopardy by the proposed cuts to Medicaid. [[Page S3321]] Here is another example: Peg Fagan of Pennsylvania. The Republican bill includes an age tax that will allow insurers to charge older Americans up to five times more than younger Americans. Peg is from Bucks County, in Southeastern Pennsylvania. She is a three-time cancer survivor who could not afford health insurance prior to the Affordable Care Act. She is approaching Medicare eligibility but still has a few years to go before she is old enough to enroll. Peg was able to find affordable health insurance thanks to the ACA, but under the Republican bill, she could once again be discriminated against for being an older adult, and another possible object of discrimination would be that she is a cancer survivor. That was the old law. That is where we were before, where insurance companies were allowed under the law to discriminate in that fashion. They could discriminate against you because you were a woman. They could discriminate against you because you had a preexisting condition. They could discriminate against you because you were a cancer survivor or because of your age, or so many other circumstances. I thought we were beyond that. I thought we had finally cured that problem, but some want to go back in time. So the CBO tells us that the Republican bill would rip away healthcare from 23 million Americans. I just went through some Pennsylvania stories. We have a lot more, and my colleagues will be hearing them. But for Hannah and Madeline and Rowan and Alex and Peg, we should ask ourselves a couple of basic questions. Healthcare for those Pennsylvanians should not be made worse, and they should not be made worse off, in order to give the top one-tenth of 1 percent a $200,000 giveaway. That is what the first version of the House healthcare bill would do. It would give the top one-tenth of 1 percent an average tax cut of $197,000. I exaggerated; I said $200,000. Let's be exact. It is $197,000 each. Why would we take away healthcare or even risk or create uncertainty about healthcare for Hannah, Madeline, Rowan, Alex, and Peg because some people around here want to give tax cuts to the tune of hundreds of billions of dollars to very wealthy people? That is not what I call a healthcare bill. The Senate has an obligation, in my judgment--both parties--to stop this bill from being enacted into law. We cannot allow this legislation to pass or anything like it to become law. So I ask each Member of the Senate to consider these Pennsylvanians and plenty in your home States and the countless more like them who are anxiously hoping and praying this Congress will not vote to take away their healthcare. Drug and Veterans Treatment Courts Mr. President, I rise to express my support for the drug and other treatment courts, including veterans treatment courts, in Pennsylvania and the more than 3,000 across the Nation. Just last month during National Drug Court Month, drug courts across the country held graduation ceremonies to recognize individuals who completed this rigorous treatment ***program***. These courts, which serve about 150,000 people a year, hold offenders with substance use and mental health disorders accountable for their actions through strict supervision while also connecting them to the treatment they need. More than 1.25 million people have successfully graduated from drug and treatment court ***programs*** and are now on a path to recovery. Research has demonstrated that drug and other treatment courts not only reduce crime but also reduce spending by slowing the cycle of recidivism. Drug and other treatment courts are also an important resource to law enforcement and community stakeholders working to combat the opioid epidemic. Opioid addiction is a growing public health crisis in Pennsylvania and throughout the Nation, and it demands real action. As public officials, we have an obligation to ensure that the resources and policies are in place to fight this scourge so that more families won't have to endure the heartache of losing a loved one to addiction. Veterans treatment courts are innovative and collaborative ***programs*** to address some of the unique challenges that face our veteran communities. There are approximately 22 million veterans in the United States, and Pennsylvania is home to nearly 1 million. The majority of veterans return to our communities as leaders and lead exemplary lives; however, not every veteran's path is straightforward. That is why we need to make sure the right ***programs*** and support services are in place. According to the Department of Justice, in 2011 and 2012, approximately 8 percent of the total incarcerated population in the United States were, in fact, veterans. These veterans found themselves serving time in correctional facilities because they had not received the treatment they needed. While this represents a very small percentage of veterans, it is important that we support ***programs*** like veterans treatment courts for veterans who face significant obstacles returning to civilian life, including mental health concerns, post- traumatic stress disorder, and substance abuse issues. These treatment courts can have a lifelong impact on a veteran by helping them get out of the criminal justice system and get the necessary treatment they have earned. It is our obligation to work every day to ensure veterans are receiving the care and support they deserve. There are many stories from across Pennsylvania and our country that exemplify why these veterans treatment courts are critical. Just to give one, shortly after Michael Colletti from Montgomery County received an honorable discharge from the U.S Coast Guard, he found himself in the grips of a serious addiction to opioids. To support his growing habit, Michael began stealing from his employer, resulting in his arrest and jail time. His crimes were caused by his opioid use disorder, and Michael found himself in the Montgomery County Veterans Treatment Court. Finally, getting the accountability he needed and connecting with the benefits he earned as a veteran, Michael began the process of leaving behind his life of addiction and crime to start a new path. Today, Michael Colletti is a partner in a successful small business and a mentor to others in his community struggling with their own substance use. He says of the veterans treatment court: I wouldn't be here without the support network from the court. I wouldn't have my girlfriend, I wouldn't have my beautiful place, I wouldn't have my career, and most importantly, I wouldn't have the sound clarity of mind to be myself again. Now I am committed to paying it forward. I and I know many others are proud to support a recent letter led by our colleagues, Senator Klobuchar and Senator Wicker, highlighting the importance of funding the Drug Court Discretionary Grant ***Program*** and veterans treatment courts. As we go through the appropriations process, I urge my colleagues to consider the proven track record of these courts in improving outcome for graduates, and I hope Congress will offer strong support for these important ***programs*** that have been helping the justice system better serve individuals, veterans, their families, friends, and communities. Mr. President, I yield the floor. The PRESIDING OFFICER. The Senator from North Carolina.

**Load-Date:** August 1, 2017

**End of Document**



[***Register of Commission documents: Commission staff working document Long-term sustainability of Research Infrastructures Document date: 2017-09-26 COM\_SWD(2017)0323 SEC documents***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R13-MJ01-F0YC-N2R7-00000-00&context=1516831)

Impact News Service

November 16, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 20739 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN EN EUROPEAN COMMISSION Brussels, 26.9.2017 SWD(2017) 323 final COMMISSION STAFF WORKING DOCUMENT Long-term sustainability of Research Infrastructures 2 Table of Content ACRONYMS GLOSSARY ................................................................................................ 3 EXECUTIVE SUMMARY ................................................................................................. 5 1. INTRODUCTION ....................................................................................................... 5 2. SETTING THE BASIS FOR LONG-TERM SUSTAINABILITY ............................ 8 2.1 Ensuring scientific excellence ........................................................................... 8 2.2 Attracting and training the managers, operators and users of tomorrow ........ 11 2.3 Unlocking the innovation potential of RI ........................................................ 17 2.4 Measuring socio-economic Impact of RI ........................................................ 23 2.5 Exploiting better the data generated by the RI ................................................ 26 2.6 Establishing adequate framework conditions for effective governance and sustainable long-term funding for RI at every stage in their life-cycle ................................................................................................................. 29 2.7 Structuring the International outreach of RI .................................................... 35 3. ELEMENTS FOR THE ACTION ***PLAN*** ................................................................. 39 4. CONCLUSION ......................................................................................................... 42 ANNEXES ........................................................................................................................ 44 Annex I – Overview on EU policies and ***programmes*** on RI .................................... 45 Annex II – Stakeholders Consultation Report ........................................................... 49 Annex III – Outcomes of Stakeholders Workshop ................................................... 49 3 ACRONYMS GLOSSARY Institutional: AC – Associated Countries CERN – European Organization for Nuclear Research CESAER – Conference of European Schools for Advanced Engineering Education and Research EARTO – European Association of Research and Technology Organisations EC - European Commission ERF – The European Association of Research Infrastructures ERRIN – The European Regions Research and Innovation Network ESA – European Space Agency ESFRI – European Strategy Forum on Research Infrastructures ESRF – The European Synchrotron Radiation Facility EU – European Union EUA – European University Association EU-LIFE – Center for Genomics Regulation, CRG ILL – Institut Laue-Langevin LERU – League of European Research Universities MS – Member States OECD – Organisation for Economic Co-operation and Development Non-institutional: DMP– Data Management ***Plan*** EFSI – European Funds for ***Strategic*** Investments EOSC – European Open Science Cloud ERA – European Research Area ERIC – European Research Infrastructure Consortium ESI Funds–European Structural and Investment Funds FAIR - Findable, Accessible, Interoperable and Reusable FP – Framework ***Programme*** GSO – Group of Senior Officials ILO – Industry Liaison Office IPR – Intellectual Property Rights KIC - Knowledge and Innovation Communities KPI – Key Performance Indicator LHC – Large Hadron Collider LTS – Long-term sustainability R&D – Research & Innovation 4 RI – Research Infrastructure ROI – Return on Investment RPO –Research Performing Organisation RSFF – Risk Sharing Finance Facility RTO – Research and Technology Organisation SME – Small and Medium Enterprise SQF – Sectorial Qualifications Framework TNA – Trans- National Access VAT – Value-added Tax WG – Working Group 5 EXECUTIVE SUMMARY 1. INTRODUCTION Research Infrastructures1 (RI) play an essential role in the advancement of knowledge and technology.

They contribute to the full spectrum of science by offering services that enable discovery, technology development and invention. They drive technological progress, which depends on both transformative research and innovation. Europe has a long tradition of scientific excellence and has built a worldwide reputation in RI. This has been made possible by pursuing national investments and more recently by developing a coherent and strategy-led approach to policy making on pan-European RI development, with the support of the European Strategy Forum on Research Infrastructures (ESFRI). This ***strategic*** approach of RI development has generated clear advantages, such as avoiding duplication of efforts, pooling resources, rationalising RI use, standardising processes and procedures as well as consolidating the global leadership of European RI. Advantages of such a European approach is also illustrated in the EU Reflection Paper on the future of EU finances, where this approach is 'a clear value added when action at European level goes further than national efforts (…) Cross-border ***programmes*** have transformed border areas helping to remove sources of conflict and create new economic opportunities2'. ESFRI has been successful in developing a medium to long-term vision on the needs of the European scientific communities, which led to the consolidation of a roadmapping process3 at European level. In addition, the European Research Infrastructure Consortium (ERIC) Regulation has also significantly contributed to the structuring of the European RI ecosystem. However, putting into place and maintaining such a landscape of excellent RI serving the needs of the scientific communities and other stakeholders has a price. Many RI (especially the large physics and analytical facilities) are extremely expensive with construction price tags that can go well beyond a billion Euro4 and related operational 1 The term 'Research Infrastructures' refers to facilities, resources or services of a unique nature that have been identified by European research communities to conduct top-level activities in all fields of science. This definition includes the associated human resources, covers major equipment or sets of instruments, in addition to knowledge-containing resources such as collections, archives and data banks. RI may be located in a single site (for example, large telescopes, Synchrotrons, High Performance Computing) or can be distributed across even large number of sites working jointly (for example, biobanks, archives, marine stations). 2 EU Reflection Paper on the future of EU finances, June 2017, p. 12. [*http://ec.europa.eu/budget/mff/hlgor/library/reports-communication/hlgor-report\_20170104.pdf*](http://ec.europa.eu/budget/mff/hlgor/library/reports-communication/hlgor-report_20170104.pdf) 3 While the term “roadmap” is widely used for ***planning*** of RI in Europe, it is not universally applied to the results of ***strategic*** long-term ***planning*** exercises. For additional information, please consult the OECD Global Science Forum, Report on Roadmapping of Large Research Infrastructures (2008). 4 The investment required for completing the construction and reaching the full operational capacity of the 29 pan-European RI - so-called Landmarks identified in the 2016 ESFRI Roadmap is estimated at EUR 6 cost that, on average, on a yearly basis, amount to around 10% of their construction value. The increasing number of implemented pan-European RI, such as the ESFRI projects and the ERICs, weighs therefore more and more on the national science budgets, hence raising the question of their long-term sustainability5. Furthermore, the EU funding ***programmes*** only cover a fraction of the RI overall activities for the integration and opening of national RI and the initial development of pan-European RI - through grants and loan guarantees. In addition, European Structural and Investment (ESI) Funds are being used by some Member States to cover construction costs6, but their expected impact is not always in line with the RI objectives nor the regional development objectives (in particular the performance indicator of number of researchers employed after the finalisation of the construction, i.e self-financed not ERDF subsidised)7. The consultations that were carried out to stakeholders have highlighted the fact that the question of the sustainability of RI goes well beyond funding only, touching upon several dimensions such as scientific excellence, socio-economic impact or innovation, which, for the purpose of this Staff Working Document, will be presented separately but contribute as a whole to the overall sustainability objective. All these pre-conditions need to be addressed at European level over the entire RI life cycle - from initial ***planning*** up to termination. The present Staff Working Document is a compendium of the outcomes of these consultations and is to set the basis for a discussion with Member States and stakeholders on the measures to be taken at all levels in Europe to address RI sustainability in medium and long-term. The resulting Action ***Plan*** will trigger and structure the debate with RI funders, users and operators, in order to arrive at a sound basis to work for a sustainable European RI and will consequently contribute to the discussions of the next Framework ***Programmes*** and future ESI Funds. Its implementation will require a strong level of engagement between the EU and its Member States, the RI managers and operators, their user communities in behavioural and structural reforms. The aim is not to identify a single solution that would fit all realities due to the diverse nature and legal setting of the different RI – national, regional and European. Finally, it is important to highlight that while the focus of the Staff Working Document is on publicly funded Pan-European 12.4 billion with an operational budget of EUR 1.4 billion/ year. The capital value of 6 out of the 29 ESFRI landmarks published in 2016 exceeds EUR 1 billion. 5 The definition of RI sustainability used for this report is the one adopted by the OECD which defines it as the capacity for a research infrastructure to remain operative, effective and competitive over its expected lifetime. 6 Both for initial implementation and for upgrading. 7 In order to be eligible for ERDF support, RI projects have to contribute to economic, social or territorial cohesion, to sustainable development and structural adjustment of regional economies (Article 2 ERDF Regulation (EU) No 1301/2013). Moreover, they have to contribute to the implementation of the research and innovation strategies for smart specialisation (RIS3) priorities that were identified in an entrepreneurial discovery process (involving enterprises, research and public sector) and to the implementation of the multiannual ***plan*** for ***plan*** for budgeting and prioritisation of investments in RIs of the country or region (see Annex 1 to the Common Provisions Regulation for ESI funds (Regulation (EU) No 1303/2013). 7 Research Infrastructures, the findings are clearly relevant also at national and regional level. 8 2. SETTING THE BASIS FOR LONG-TERM SUSTAINABILITY RI Long-term sustainability (LTS) has been flagged as a policy priority8, since the Informal Competitiveness Council of July 20149. As a result of the May 2016 Competitiveness Council Conclusions, the Commission was invited to develop an RI long-term sustainability Action ***Plan***, in close cooperation with ESFRI and other relevant stakeholders. The Commission launched a stakeholder consultation process, which encompassed:  an online consultation (Annex II – Stakeholders Consultation Report) targeting key RI stakeholders,  dedicated regular meetings with ESFRI10, EIROforum and its members, ERA stakeholders and observers as well as ERICs,  a Stakeholders' workshop (Annex III – Outcomes of Stakeholders Workshop) to validate the possible elements of an LTS action ***plan***. This consultation process was based on LTS interrelated conditions and had the aim to trigger the debate on potential actions to tackle the identified challenges:  Ensuring scientific excellence,  Attracting and training the managers, operators and users of tomorrow,  Unlocking the innovation potential of RI,  Measuring socio-economic impact of RI,  Exploiting better the data generated by the RI,  Establishing adequate framework conditions for effective governance and sustainable long-term funding for RI at every stage in their life-cycle,  Structuring the international outreach of RI. Each sub-section builds on a long-term sustainability pre-condition, depicting the Stakeholders consultation results, illustrated by best-practice cases, and focusing the debate on possible actions to be taken up. 2.1 Ensuring scientific excellence 8 The European policy context is strongly influenced by a number of EU initiatives and ***programmes***, which are detailed in Annex I - Overview on EU policies and ***programmes*** on RI. 9 In July 2014,the Informal Competitiveness Council highlighted the importance of long-term sustainability of RI, stressing that open access to RI and data, better links with industry as well as policy prioritisation based on a multi-level approach, at national, European and international level, were key to ensure sustainability. 10 In July 2016, a dedicated ESFRI Working Group (WG) on the long-term sustainability of RI was established and this WG developed a report, which serves as a strong input to this policy debate. 9 Scientific excellence is unanimously recognised as the main driver for Research Infrastructure development. In order to maintain its positioning, Europe needs to continue investing in RI so to guarantee, as highlighted by EIROforum, efficient operations, continuous maintenance and timely upgrades of instrumentation and/or operational modes in order to ensure that the facilities correspond to the present and future requirements of their communities. As highlighted by ESFRI the maintenance of this excellent level of capacity requires a collective effort of all involved actors at European and national level to support by adequate means the endeavour for excellence at RI throughout their entire lifecycle, which may include the pursuit of excellent in-house scientific research and the development of new technology for users. Such quality must also be regularly assessed. The stakeholder consultation demonstrated the need for independent international scientific and technical evaluation committees to guarantee that the (optimal) services offered actually reflect the requirements of the different user communities. The main elements that were proposed for consideration in the frame of the consultation were:  Encourage the adoption of transparent Access policies across Europe; Most stakeholders highlighted that the Charter for Access to Research Infrastructures11 plays a key role in supporting researchers' mobility in the EU. There is a wide consensus on the fact that European RI should have in place transparent access policies developed according to the definitions, principles and guidelines contained in the Charter.  Promote excellence as the main driver for access to Research Infrastructures; The consultation process highlighted that some of the stakeholders would clearly support the “excellence driven access mode”, as defined by the Charter, as requirement for funding at regional, national, European and international level. The discussions also indicated that still about 53% of the European RI do not apply international peer review for the selection of the user projects and for attributing access. And that this situation needs to be rapidly addressed. A number of stakeholders12 suggested for peer review procedures to be included within the access policies articles of each RI as requirement for funding at regional, national or European level. 11 The excellence-driven Access mode is exclusively dependent on the scientific excellence, originality, quality and technical and ethical feasibility of an application evaluated through peer review conducted by internal or external experts. It enables users to get access to the best facilities, resources and services wherever located. This Access mode enables collaborative research and technological development efforts across geographical and disciplinary boundaries. 12 Among these CESAER and ERF. 10 More in general, in line with the current discussions in the frame of International fora such as the Group of Senior Officials on global Research Infrastructures the possibility of an RI guaranteeing that a share of excellence driven access is provided free of any other conditionality (e.g to be national of a funding member) was considered as an additional option to foster excellence of RI.  Stimulate the establishment of technical evaluation review and management committees; The Stakeholder consultation indicated that 21% of the RI do not have in place an international Advisory Scientific Committee, which led to highlight that the establishment of Technical Evaluation and Management Assessment Committees is a necessity to ensure the RI offer state of the art services. Such committees (which, as emphasised by CESAER, should also cover the ethical dimension), configured as distinct bodies in the governance of RI, should also advise on the development of the science agenda and portfolio and periodically review them in order to guarantee effective response to the user community requirements. Most of the stakeholders, among which ESFRI, indicated in this respect a need to develop guidelines for standardized, effective and robust evaluation procedures of RI through independent international peer-review13 as an active measure to increase the widespread adoption of such instruments.  Develop Key Performance Indicators in support of scientific excellence; While excellence is undoubtedly acknowledged as the fundamental driver for any RI, the measurement of the level of excellence of a single facility is not immediate and is mostly achieved through indirect indicators such as, most commonly, the number of scientific papers which make reference to the RI. In general, many of the stakeholders indicated the need to develop a comprehensive assessment mechanism based on a set of Key Performance Indicators (KPI) to measure the excellence level of the output of RI.  Establish a set of principles for excellence; Going in the same direction, some of the Stakeholders (among which notably LERU) suggested the development of a set of principles for excellence that would allow (potential) academic and industrial users to assess the quality of a RI and to enable the RI to show their dedication to excellent research.  Track the usage of research Infrastructures; As suggested among other by ERF, users of RI could be required to refer to the access contributed by the RI in their published scientific and technological results or in the context of other types of data records, as a condition to be accepted. This would 13 ESFRI long-term sustainability WG report 11 allow to have explicit references enabling a more comprehensive monitoring of the services provided by the RI and of their impact. 2.2 Attracting and training the managers, operators and users of tomorrow RI have a broad impact on scientists' skills development in Europe and the availability of competent managers and technical staff running the RI is also a concrete critical requirement for any RI to guarantee the quality of its output. During an RI lifecycle, staff skills requirements change as the RI evolves from a design/construction stage to a service provision phase. However, a basic set of skills, mainly related to governance and business ***plans*** development, remain stable throughout the RI lifecycle and could be better acknowledged by the relevant communities at a European level. The development of the right set of accredited RI staff skills and a career track requires a close link with Academia. On this particular matter, EIROforum, among others, highlighted the need to preserve strong connections with national educational systems: doctoral and post-doctoral ***programmes*** can be designed together with universities, enabling young researchers to acquire hands-on experience at the RI while maintaining links to the home universities. It is also widely acknowledged that a critical mass of scientific talent needs to be built up through mechanisms such as attractive employment conditions, transparent recruitment practices, openness to diversity and adaptable PhD and post-doctoral curricula14. Concerning skills development for managers, although it is widely recognised that the successful management and leadership of an RI requires a complex set of competencies, there is still a need for a stronger effort to develop harmonized curricula, standardized careers paths and staff exchange ***programmes*** targeting managers and operators. Despite the European initiatives -RAMIRI15 and RItrain16 - in this field, these still remain stand- 14EIROforum discussion paper: Long term sustainability of Research Infrastructures 15RAMIRI (Realising and Managing International Research Infrastructures) project, funded by the Commission under FP7, delivered an educational and networking ***programme*** for people involved in ***planning*** and managing international research infrastructures. It led to the training of around one hundred managers and the publication of a web-based handbook (available at:   [*http://www.ramiri-blog.eu/*](http://www.ramiri-blog.eu/)). This handbook has a specific focus on the life cycle of a RI, legal and governance issues, finance, human resources and management aspects. 16RITRAIN, supported under Horizon 2020, building on RAMIRI's achievements, is defining a comprehensive set of required competences from managers throughout the life cycle of a research infrastructure and mapping them to existing training courses and ***programmes***. It will then develop new content to fill in the identified gaps and develop an accredited, comprehensive modular curriculum for a master’s ***programme*** that will be implemented as a pilot at the University of Milano-Bicocca. Additionally, in order to address specific needs of already active research infrastructure managers and foster their continuous professional development, the project will develop a series of dedicated webinars, based on real case studies, and will organise a broad staff exchange ***programme***. See additional information at   [*http://cordis.europa.eu/project/rcn/194941\_en.html*](http://cordis.europa.eu/project/rcn/194941_en.html) 12 alone and one-off initiatives, which require a further degree of European structuring and integration. Besides a focus on training, transnational mobility17 also boosts the quality of the research and innovation systems and currently in the EU the mobility of skilled managers and operators of RI is limited. There is a need to work on the framework conditions, such as competitive, compatible working conditions and a European RI system to guarantee stable and secure career paths for staff moving around the different facilities. Regarding the development of RI user skills, the stakeholders' consultation highlights that the establishment of dedicated specific training to RI users, including industry users is becoming a more general practice. This is a very positive trend as the 201318 assessment of the ESFRI roadmap projects noted that very few of the ESFRI projects had a user training ***programme*** in place. The focus on users is becoming stronger, which is a very good practice, as addressing users' needs and providing users' training is crucial for the evolution of the RI scientific case, and, therefore, sustainability. Still concerning RI users, mobility of the user community in Europe has been so far successfully achieved by the current TNA scheme, but such a scheme should be used as a model for the development of national ***programmes*** to further open up the RI's ecosystem and improve cross-fertilization between the different RI. As regards broadening the range of potential users, stakeholders put a clear focus on the need to further raise awareness on the RI services and tools, to improve cooperation with industry and academia and to simplify access procedures for new users. Taking into account this setting and the consultation process, the main elements for further consideration in the future are:  Support the uptake of a European curricula and dedicated training courses for RI managers; The link with Academia was raised as critical in this context by stakeholders like LERU, CESAER and ERF. CESAER19 specifically recommends the development of a Sectorial Qualifications Framework (SQF) for RI staff and a tutoring ***programme*** using retired (senior) RI staff. On a similar note, ESFRI put forward that National authorities should support and harmonise research and education ***programmes*** linking RI with universities and, where appropriate, also business and industry at PhD, post-doc and more advanced levels in order to provide specialised skills and training, some of which should go beyond traditional curricula20. In addition, ESFRI also emphasised that it would be highly 17Science, Research and Innovation performance of the EU, a contribution to the Open Innovation, open science, open to the world agenda 2016, Directorate-General for Research and Innovation, 2016 18Assessing the projects on the ESFRI roadmap, A High-Level expert group report, 2014,   [*http://ec.europa.eu/research/infrastructures/pdf/KI0213337ENC\_WEB.pdf*](http://ec.europa.eu/research/infrastructures/pdf/KI0213337ENC_WEB.pdf) 19 Input on LTS of RIs, CESAER, 2016 20 ESFRI long-term sustainability WG report, 2017 13 'desirable for such initiatives to be co-ordinated across Europe to facilitate coherent approach and knowledge transfer across RI in different countries21. Helmholtz Association puts the focus on blended learning ***programmes*** to progress in this domain22. The need to have a centralized coordinated training system was considered difficult to implement, but the dissemination and uptake of a European curricula, building on the RAMIRI and RITRAIN initiatives, would be seen as an added-value. These certified training courses should include cost-assessment and risk management modules.  Improve mobility of managers and staff, through exchange ***programmes***; A significant number of stakeholders, such as EIROforum, ERF, EU-LIFE23, Helmholtz Association24, have been highlighting the need to establish staff exchange ***programmes*** at European level. In this context, , Science Europe proposed to establish a dedicated action of the Marie Sklodowska-Curie Actions ***programme*** for Research Infrastructures25 to enable short-term mobility of Pan-European RI managers and operators. Besides this formal framework to encourage mobility of operators and managers within the European RI system26, there was also a reflection on the need to stimulate these short-term mobility schemes in national RI policies, such as in Germany with the initiative of ERA fellowships27.  Support transnational access to RI at European and national level; Cross border mobility of scientists significantly contributes to the excellence dimension both by stimulating RI to provide state of the art services and by increasing the potential level of scientific output. As highlighted by the Helmholtz Association, the best scientific users should be able to select the best facilities, regardless of whether they are located in their own country. This is currently one of the main features supported through the 'Trans-National Access' (TNA) schemes of the EU Framework ***Programmes*** which has been very successful in ensuring mobility and cross-fertilization between the different RI. There is a very broad consensus that the Commission should continue supporting the Trans-National Access scheme and possibly further reinforce it. Many stakeholders concurred that besides the current Trans-National Access scheme of the EU Framework 21 ESFRI long-term sustainability WG report,2017 22 Helmholtz Association long-term sustainability Position paper, 23 EU-LIFE contribution to long-term sustainability debate, 2016. The staff exchange ***programmes*** should allow interactions between the large and smaller scale RI and different types of RI. 24 Joint EIROforum/ERF Proposal for a new mobility scheme for European RIs aimed at setting-up a RISE scheme to the transfer of personnel between RI both at the national level and between EU Member States. EIROforum response to the ERA Framework Consultation, 29 November 2011, additional information available at   [*http://www.eiroforum.org/downloads/201111\_mobility\_proposal.pdf;*](http://www.eiroforum.org/downloads/201111_mobility_proposal.pdf;) Helmholtz Association Position paper on Long term sustainability of Research Infrastructures – 10 November 2016 25 Science Europe Policy Brief on Research Infrastructures in EU Framework ***Programming***,2017 26 ESFRI long-term sustainability WG report, 2017 27 In Germany, for instance, ERA fellowships ***programme*** was developed capacity building in the field of science management   [*http://www.era-fellowships.de/en/era-fellowships-ueberblick.php*](http://www.era-fellowships.de/en/era-fellowships-ueberblick.php) 14 ***Programme***, national RI policies should also integrate a support mechanism to fund transnational access of users outside the RI country28, namely to support transnational access of users within the members of the distributed Pan-European RI. Transnational Access in the EU Framework ***Programme*** Since its establishment, EU funding ***programme*** for Research Infrastructures identified as one of its priorities the opening at EU level of existing national facilities. More than twenty years ago, under the 2nd EU Framework ***Programme*** for Research, EU started to fund, through the so called transnational access (TNA) activity, access of European researchers to large scale facilities, wherever these facilities were based. In 2008, the ERA expert group report already showed that “the existence of and access to leading research infrastructures is and will remain a key determinant of Europe’s competitiveness in both basic and applied research”29. FP7 and H2020 support transnational access to research facilities - with a focus on a merit based system, ensuring that the best researchers can get access to the best facilities. Open online virtual access to digital resources, including software and data services, has also been supported under these two Framework ***Programmes***. Under FP7 240.3 M€ were used for supporting transnational and virtual access. In average 34.3 M€ per year, were invested to support access – as a key tool to accelerate the RI's openness. In FP7, the TNA scheme set the scene for closer interactions between 25.782 researchers (2032 users were from third countries) in 1094 infrastructures. It facilitated cross-disciplinary fertilisations and a wider sharing of information, knowledge and technologies across fields and between academia and industry. The FP7 Users satisfaction questionnaire in 2016 reflected that 89% of the TNA wouldn't have been possible without EC support. The Joint Research Centre of the European Commission has just launched the first calls to open its unique, high-value RI to scientists and researchers from the private and public sectors30. The opening of the laboratories follows the launch of an online platform which provides easy access in one place to all JRC facilities. Access to JRC Research Infrastructures The JRC offers access to its non-nuclear facilities to researchers and scientists from EU Member States, candidate countries and countries associated to the EU Research ***Programme*** Horizon 2020. For nuclear facilities, the JRC will open to EU Member States, candidate countries (on the conditions established in the relevant agreement or decision) and countries associated to the Euratom Research ***Programme***. 28 ESFRI long-term sustainability WG report,2017 29 European Commission, Developing World-class Research Infrastructures for the European Research Area (ERA), Report of the ERA expert Group, Luxembourg: Office for Official Publications of the European Commission, 2008 30 Open Access to JRC Research Infrastructures,   [*https://ec.europa.eu/jrc/en/research-facility/open-access*](https://ec.europa.eu/jrc/en/research-facility/open-access) 15 Scientists will have the opportunity to work in the following fields: nuclear safety and security (Euratom Laboratories); chemistry; biosciences/life sciences; physical sciences; ICT; Foresight. The

results will also feed into JRC's mission to support EU policymaking. In a pilot project, three facilities in Ispra (Italy) with the necessary infrastructure to host visitors will offer access through dedicated calls in the fields of safety and security of buildings and of nanobiotechnologies. The remaining 38 JRC facilities in Belgium, Germany and the Netherlands are ***planning*** to gradually provide access after completion of the pilot phase in 2017-2018. The JRC provides access in two modes: relevance (excellence) - and market-driven. The relevance (excellence)-driven access is exclusively dependent on scientific and socio-economic relevance at European level. It is based on a peer-review selection process following a call for proposals. Projects accessing JRC facilities under the relevance-driven mode are only charged the additional costs associated to such access. Market-driven access is granted upon payment of a fee covering the full access costs of the JRC, and it is mainly targeted to industry.  Stimulate an RI job market at European level; RI can be seen as the dead end of a scientific career where only publications count31 and this perception needs to be avoided. In order to overcome mobility bottlenecks for RI managers and operators and explore measures to increase the RI attractiveness, stakeholders identified the concrete need to improve the awareness of RI services and tools in the academic circle and beyond. The development of a service-oriented mission is essential for sustainability and this goal needs to be reflected in the staff and management skills, as stated by an RI the service provider role goes beyond an academic laboratory – with clients and shareholders; having a good knowledge of operations, contracting, service provision, quality control, etc. without professional provision of services, sustainability is at risk32. In terms of framework conditions, there is a general agreement that there are significant barriers for mobility, comprising different salary conditions, pension schemes and lack of transparency in the job vacancies. ESFRI highlights the need for a greater harmonisation across countries of career paths, pension schemes and salaries, as well as exchange and re-integration schemes between RI, and universities and also with business and industry33. In this context, the dissemination of the RESAVER scheme 34 - A pan-European pension fund for researchers to address the pension-related bottleneck to mobility – and 31 Helmholtz Association long-term sustainability Position paper; ERF Suggested actions for Long term sustainability of Research Infrastructures 32 EATRIS long-term sustainability position statement 2017 33 ESFRI long-term sustainability WG report, 2017 34 In the 2012, ERA Communication the Commission made a commitment to support employers in removing pension as an obstacle for researchers' mobility by 'supporting stakeholders in setting up a pan-European supplementary pension fund for researchers'. To achieve this goal the Commission initiated 16 the use of EURAXESS portal 35 to consolidate a more transparent job market and disseminate the transnational access opportunities can be seen as two possible measures to support the establishment of a more flexible job and skills market for RI personnel and users.  Encourage RI to regularly offer dedicated training ***programmes*** for users; Researchers' ability to effectively use and fully exploit RI instrumentation and services highly depends on the appropriate training strategies, which have an impact on the overall excellence of the facility. Developing training ***programmes*** for users has a substantial positive impact on the user community size and diversity, in particular, expanding the research infrastructure use to other thematic areas. A more structured effort would therefore be required in this domain to ensure a continuous availability of training to potential users. RI are encouraged to keep developing short training modules (jointly defined by RI and non-academic users) to capture the interest of potential user groups. ESA, CERN 'summer” and “thematic” schools or 1-month European schools, like the Hercules European School36 have proved their success in the involvement of different communities to discuss methods, technics and develop cooperation strategies.  Broaden the range of RI users, by simplifying access rules and the development of a European catalogue of services; The attractiveness of an RI career is directly linked to the RI reputation as well as its visibility. Measures to increase visibility of services need to be assessed, such as a system to trace the involvement of RI in publications or even the potential implementation of an RI service voucher system37. User skills development implies opening up the RI to different types of users and the general public. User involvement and enlargement strategies are crucial elements for sustainability. For this purpose, RI need to develop continuous mechanisms to feed user feedback into the RI assessment and to stimulate new users, namely by providing work on the establishment of a single European pension arrangement for researchers called RESAVER. RESAVER will be a defined contribution ***plan*** that will enable mobile and non-mobile researchers to remain affiliated to the same supplementary pension fund when moving between different countries and changing jobs. This initiative should remove supplementary pension as a barrier to researchers' mobility and will contribute to a European labour market for researchers. 35 Euraxess - Researchers in Motion is a pan-European initiative delivering information and support services to professional researchers. Additional information available at: [*https://euraxess.ec.europa.eu/*](https://euraxess.ec.europa.eu/). 36 Hercules European school is a 1-month school, established in 1991, provides training for students, postdoctoral and senior scientists from European and non-European universities and laboratories, in the field of Neutron and Synchrotron Radiation for condensed matter studies (Biology, Chemistry, Physics, Materials Science, Geosciences, Industrial applications). It includes lectures, practicals, tutorials, and visits of Large Facilities: ELETTRA and FERMI in Trieste, ESRF, ILL in Grenoble, Soleil and LLB in Paris-Saclay, and SLS/PSI in Villigen. 37 EATRIS long-term sustainability position statement – 'A voucher system to access RI services would stimulate use and sustainability of RIs in a competitive manner. Researchers receiving grants at a national level may be given RI access vouchers, which would allow competition (…) for the researcher to choose a high-quality research service provider.' 17 simplified access rules to new user groups and by developing a European catalogue of services. External communication improvement and outreach strategies are considered to be essential tools to reach out to new user communities and to attract the attention of the general public. Public engagement strategies need to be taken into account in the RI core mission, as also stated by CESAER Open science nights and visitor's centres are no longer sufficient. 2.3 Unlocking the innovation potential of RI RI main focus is to perform curiosity-driven fundamental research and to achieve excellence in science, nevertheless their potential to foster innovation is also clearly recognised. The concept of innovation38 can be considered in this context lato sensu, not only focusing on technology development, but also comprising RI's contribution to social innovation, to understand societal attitudes and to develop public policy. The evolution of the transnational research facilities implies that RI become elements of 'supra-national innovation systems'39 and, in this setting, industrial players can play the role of potential supplier (of the required technologies), user and co-developer. The current framework for interaction with industry is not ideal and both RI and industry do not fully perceive the reciprocal potential benefits of proactively engaging in collaboration40. The lack of an appropriate information flow, different language and objectives tend to increase this gap. An RI, Academia and Industry's mind-set shift is needed as well as a stronger communication of the RI added value beyond the academic circles. CESAER considers it is key to establish a culture of innovation for RI staff concerning openness; risk taking, flexibility and agility of interactions, trust, integrity and confidence between partners, rapid reaction and co-creation41. 38 According to the Oslo Manual 'An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations'. Literature puts forward several approaches on the innovation effects that may arise from public investments in RI, Simmonds (2013) highlights 6 broad classes of innovation effects '1) Use-led innovation, 2) Research-based innovation, 3) knowledge spillovers, 4) Technology transfer, 5) clustering and agglomeration effects and 6) systemic innovation.' in Simmonds, P. et al (2013) 'Big Science and Innovation', Technopolis 39 Stahlecket, T.; Kroll, H. (2013) 'Policies to Build Research Infrastructures in Europe – Following traditions or Building new momentum', Fraunhofer 40 Stakeholders indicate that cooperation is hampered in function of different goals and expectations between industrial users and Research Infrastructures' (9.4%) and of administrative, legal and fiscal burdens connected to working with Research infrastructures (6.4%). Results also show that only 20.4% of the budget of RI is dedicated to industrial high tech components procurement and 10.7% of the Access to RI is represented by industrial users. 41 Informal Input on LTS of RI, CESAER,11th November 2016, Leuven, p. 6 18 Open science trends, which advocate for a rapid diffusion of the latest knowledge have already launched a shift in the current mind-set. A strong example of such a change is the construction and operation of the Large Hadron Collider (LHC) at CERN, which has been signalled as the place where new businesses and business models must be identified, explored and undertaken42. A clear example of the need to improve the communication on RI impacts is that several RI have been in the forefront of the test and launch of new services and technological applications43, but in most cases there is no clear association between the scientific results and the commercial applications. A co-creation approach to continuously generate, scale and deploy breakthrough technologies with market and social value can be one way to solve this issue. The use of the co-innovation paradigm, by stimulating products and services co-development could lead to mutual benefit outcomes to both communities, accelerating technology development to the market and to increase RI visibility in the innovation chain. This co-creation approach has been stimulated through several Framework ***Programme*** RI projects, such as GREST. GREST co-creation case EST, a research infrastructure for ground-based solar physics observations, is a highly technological project with an important involvement of the private sector. In the achievement of EST goals, GREST project, funded under the H2020 Framework, provides an excellent opportunity to develop new applications during the development of breakthrough technologies, increase the capabilities of the industrial sector and strengthen the cooperation between academia and industry. Three of the key technologies cases are described below:  Large-format high-speed prototype detector (ANDOR Technology PLC, United Kingdom) - detectors initially are developed for solar observations, they are expected to have a wider range of applications which require high-resolution astronomical observations, such as Near Earth Object detection and Pulsar studies and to open new markets in Transmission Electron Microscopy (TEM), Protein Crystallography and X-ray Tomography, providing growth and diversity in existing markets and increase the demand for a skilled workforce in the high-technology sector.  Large aperture etalon (A.D.S International, Italy). As part of the large aperture etalon, the company has developed novel high performance capacitive sensor electronics. This co- 42 Chesbrough, H. (2015)“From Open Science to Open Innovation”, ESADE 43 Big Science report states that 'modern innovations had their seed, or got fertilised at a critical moment, at big science centres, such as Capacitive touch screen, Pharmaceuticals—Five of the top 20 drugs in use were developed using synchrotrons (…), Scratch-resistant eyeglasses—Developed by NASA to provide scratch-proof coatings for astronauts’ visors, most eyeglasses now feature it, WiFi—based on technology developed by Australian astronomers to study radiation from black holes, (…) Hypertext Markup Language —The key idea that transformed the academic Internet into the commercial World Wide Web came from a CERN computer scientist trying to make it easier for physicists to interlink their documents. There are many more: cochlear implants for hearing loss, the ‘shears of life’ to rescue car-accident victims, ‘memory foam’ for pillows and bedding, dental lasers, the foot and mouth disease vaccine (…) in 'BIG SCIENCE: What’s It Worth?', (2015), Science Business, CERN, Aalto University, ESADE 19 innovation process develops innovative instrumentation, as digital seismometers and high precision inclinometers. These instruments have been identified as niche applications for which few suppliers are present at European level.  Liquid crystal cells (ARCOPTIX, Switzerland). The development of new types of liquid crystal cells, different from the standard ones, in order to obtain faster response times, is pushing forward of the manufacturing processes of the company. In addition, new procedures to obtain a higher homogeneity in the optical thickness are being developed which will also increase the performances for the standard devices and the potential uses of these systems, which can lead in the future to ***produce*** better products. While liquid crystals have become attractive for applications such as diffractive optics, adaptive optics, or optical metrology, the range of possible applications is ampler, including diffractive optics for the generation of digital holograms or high-speed communication systems. New initiatives, as ATTRACT44 or IdeaSquare45, also serve this purpose by laying down the foundations for disruptive innovation in key critical technologies and by delivering breakthrough technologies for different markets. The design and co-design of instrumentation and equipment is another possible RI-industry interaction which can create new economic opportunities46, and where it is essential to bridge the gap between RI and industry, to reduce investment risk and to create a win-win situation. Examples of these developments include the new generation of detectors, virtual astronomical observatories, protein scanners, magnets, energy efficient computers. The ERID-Watch 47 and EIRIISS48 studies have assessed the efficiency and market impact of research infrastructures in Europe and focussed on ways to maximise the impact to research and industry from the opportunities presented by the instrumentation development activity at European RI. For instance, EIRIISS identified three main areas where further support is recommended: a specific focus on increasing the visibility of opportunities for interactions between industry and RI; target the support on industries that are more likely to engage with RI and vice-versa and share best-practices in 44 ATTRACT, developed by CERN and supported by the EIROforum Members, focuses on the development of high-performance detector and imaging technologies. Additional information is available at   [*http://www.attract-eu.org*](http://www.attract-eu.org)/ 45 Within the frame of the IdeaSquare, precursor of ATTRACT, the state of the art of pattern recognition technology developed at CERN for High Energy Physics have been transferred to Computer Vision domain and are being used to develop a new tool to assist autistic children in their learning process. The underlying code is from augmented reality software, which is based on technology used in detectors at CERN. The project is collaboration between CERN and the Italian university UNIMORE and will be used by the researchers to help with autism studies. Additional information is available at   [*http://home.web.cern.ch/about/updates/2014/12/ideasquare-opens-today*](http://home.web.cern.ch/about/updates/2014/12/ideasquare-opens-today) 46 'The market in Europe for ‘big science’ RI is estimated to be worth upwards of €10 billion per annum, alone' - EIROforum Position Paper on Scientific Instrumentation for the EU Framework ***Programme*** (Horizon 2020), 1 November 2012 47 European Research Infrastructures Development Watch (ERID Watch), FP6 project No 043004 48 European industrial and RI interaction and support study (EIRIISS), FP7 project No 284294 20 procurement and knowledge transfer, involving networking of procurement professionals and encouraging industry to interact more readily with RI. In a completely different context, innovation potential can also be expressed through the development of new services. RI can also trigger the new business models and services to policy makers, which is evident in cases such as SHARE-ERIC49 and EATRIS50. As a follow-up of the stakeholders' consultation process, the main elements which deserve further consideration are:  Increase RI engagement with industry, by fostering their direct and early-involvement in Advisory Boards and through dedicated training and exchange schemes; Initiatives and dedicated actions to foster RI-industry interaction are recurrently put forward by stakeholders, such as Science Europe and Helmholtz Association, which clearly state there is a need for the Commission to provide 'the right incentives to tackle the barriers to collaboration between publicly-funded RI and the private sector'51. A stronger involvement of industry can also be achieved by the establishment of participation of industrial players in Advisory Boards, 64.3% of the respondents declared not having in place an Innovation Advisory Committee - a dedicated organisational element that would allow to better reach out to industry and to the public sector needs. Staff mobility and exchange ***programmes*** with industry are identified as measures that could overcome the cultural barriers preventing cooperation. As ESFRI highlighted this cultural gap requires dedicated training and (…) exchange schemes for staff on both sides of the divide52. 49 SHARE-ERIC findings have strong policy implications. SHARE-ERIC and its' broad data on the economic, social and health situation of European citizens enables Member States (and the European Commission) to base difficult economic and social decisions on evidence rather than beliefs. SHARE has been supporting evidence-based policy making in Czech Republic, France, and Slovenia and advising the Dutch parliament. The European Commission - DG ECFIN, DG SANTE and DG EMPLOYMENT - also use SHARE data to provide long-term projections on pension and health care expenditures, to stress the importance of health prevention and work place quality to foster labour force participation at older ages and to set their indicators for demographic and socio-economic situation. SHARE has been instrumental by the research departments of OECD, WHO and the World Bank. 50 The European Infrastructure for Translational Medicine (EATRIS) illustrates the effectiveness of interaction between RI and industry in enabling innovative solutions. The project has the purpose of transforming laboratory research outcomes into new ways to diagnose and treat patients. In order to promote translational research, EATRIS signed a framework agreement with the ROCHE Partnering Extending Innovation Network (EIN) to facilitate EIN access to research projects within the EATRIS network. EATRIS also developed a plug-in service – EATRIS Inside to funding ***programmes*** in order to improve the translational element of applied research funding, through translational feasibility assessment and match-making. 51 Science Europe Policy Brief on Research Infrastructures in EU Framework ***Programming***,2017 52 ESFRI long-term sustainability WG report, 2017 21  Enhance the role of intermediaries and develop specific mechanisms to stimulate the commercial application of RI services and tools; Several stakeholders, such as ERF, Science Europe and ESFRI advocated for 'mediation' to facilitate tailored industry users support and the need to have brokerage functions to facilitate knowledge and technology transfer for the translation into industrial and commercial environment. The reinforcement of the ILOs seems essential to stimulate the RI and industry interaction. ERRIN also pointed out that regional intermediaries and facilitators between academia and industry such as clusters can play a role to ensure impact and integration of RI in the local innovation ecosystem. In addition, the Knowledge and Innovation Communities (KIC) could play a greater role in supporting the translation of results into commercially-viable solutions, thanks to their services and their distributed presence in local innovation ecosystems in order to favour cross-border collaborations.  Clarify industry access rules, mainly concerning IPR regimes and procedures for accessing RI; Current access rules are seen as one of the major bottlenecks for industrial access and there is a perceived need to define access rules which can favour industrial usage. In addition, it is crucial to point out that in most analytical and material science facilities, there is a large hidden industrial use performed through academic users, estimated to be above 20%53 and this can be also seen as a positive channel to improve relations with industry and further incentivise users to explicitly bring forward their relationship with industry, namely by providing a reward system for having these services for industry acknowledged in their scientific career paths. An example of good practice in the definition of IPR regimes for users, including industry, is found in the Framework of access to the Joint Research Centre physical research infrastructures54, which foresees an extension of the embargo period for the dissemination of the generated data via open access schemes when such dissemination jeopardises the protection or commercial exploitation of the data.  Support large scale initiatives and pilots involving RI, academy and industry through a co-innovation process; The current dialogue on the development of new funding mechanisms touches a public-private co-investment as an interesting solution, including co-funding schemes, large scale co-innovation initiatives and the launch of pilots. Among the possible measures to encourage industrial involvement in RI, stakeholders also identified possible tax incentives for (private) investment as well as a wider 53 ERF Suggested actions for long-term sustainability of Research Infrastructures, 2017 54 JRC Framework for access,   [*https://ec.europa.eu/jrc/en/research-facility/open-access/framework*](https://ec.europa.eu/jrc/en/research-facility/open-access/framework) 22 awareness/ promotion of RI services. Public-private partnership vouchers to support cluster activities in RI were also possible options to have a close look at.  Stimulate joint innovative procurement mechanisms, pre-commercial procurement and the link with Public Procurement of Innovative Solutions; Procurement processes should be considered a mechanism to encourage a wider range of companies to engage more effectively with RI. Pre-commercial procurement enables the early involvement of industry in the preparation of calls for tender and support financing joint technology development between RI and industry and stimulates a close interaction with industry. At European level, there were recommendations on the creation of a coordination mechanism to stimulate joint procurement schemes to coordinate RI investments.  Develop ***strategic*** roadmaps in key technologies required for the construction and upgrades of RI in close relation with EIT, KICs and KETs; The development of ***strategic*** roadmaps in key technologies to identify potential technical areas of interest for industrial research in RI were seen as a possible way forward to exploit the RI innovation potential. RI use sophisticated technologies, which can only be developed in large-scale platforms combining R&D, integration and validation. These platforms would form a distributed network across Europe and provide RI with advanced key technologies and integration services. Their coordination in a given technological domain should contribute to harmonise their operation conditions and increase their efficiency55. This would aim at helping European industry maintain or take a leading role in the development of the technologies required for the RI of tomorrow. Concerning industrially led infrastructures such as wind tunnels, engines test-benches, industrial pilot plants, the Commission services are exploring the possibility of preparing a similar European roadmapping exercise targeted at facilities tailored to industrial needs.  Foster the use of RI for pre-normative research Large scale RI and testbeds can play a key role for the design and validation of innovative products and technologies, thus bridging the gap between research and innovation, and commercialisation. In this sense, pre-normative research carried out at RI leads to the production of data and guidelines that feed into the standards making process, enabling industry for the market uptake of their innovations. An example of the contribution of RI to pre-normative research is found in the ECOLEADER (FP5), SERIES56 (FP7) and SERA57 (H2020) projects financed by the European Commission Research Infrastructures Framework ***Programmes*** in the field of seismic safety of buildings and infrastructures. These projects have granted transnational 55 In line with the recommendations of the report 'KETs: Time to act' (2015) of the High-Level Expert Group on Key Enabling Technologies 56 Seismic Engineering Research Infrastructures for European Synergies,   [*http://www.series.upatras.gr*](http://www.series.upatras.gr)/ 57 Seismology and Earthquake Engineering Research Alliance for Europe,   [*https://sera-ta.eucentre.it*](https://sera-ta.eucentre.it)/ 23 access of European researchers teamed with industrial partners to unique and first class facilities, leading to the production of guidelines in support to the drafting of the Eurocodes, the European Standards for earthquake design of buildings and infrastructures. 2.4 Measuring socio-economic Impact of RI RI have a direct impact on society primarily in function of the knowledge generated through the services they offer. This is complemented by another set of direct economic impacts tied to activities such as the employment of work force during their construction phase or the creation of new jobs and services for their operation and maintenance. A large emphasis is currently been made on the more indirect socio-economic impacts related to RI investment which are not directly related to the scientific objectives of the RI itself. An illustrative case is represented by the tourism increase in the Canary Islands linked with the establishment of Mount Teide Telescope58, which was awarded in 2013 the title of ‘Starlight Tourist Destination’ and which has attracted the attention of tour operators cashing in on the appeal of the night sky and offering special star-gazing walks and astrophotography tours. The EIROforum paper on RI sustainability59 also underlines that the invention of the World Wide Web at CERN may be the most prominent recent example of a general benefit to the whole of society. Several studies have been carried out to attempt modelling the RI costs and benefits60 as well as to analyse the RI socio economic impact 61,62,63,64. The initiatives launched so far vary from very structured mathematical modelling65 to more qualitative approaches66. 58 Additional information available at   [*http://www.iac.es/?lang=en*](http://www.iac.es/?lang=en) 59 EIROforum discussion paper: Long-term sustainability of Research Infrastructures (2014) available at:   [*http://www.eiroforum.org/downloads/20150325\_discussion-paper-research-infrastructures-sustainability.pdf*](http://www.eiroforum.org/downloads/20150325_discussion-paper-research-infrastructures-sustainability.pdf) 60Guide to Cost-benefit analysis of investment projects - Economic appraisal tool for Cohesion Policy 2014-2020 (2014), European Commission, Directorate-General for Regional and Urban policy 61 Research Infrastructures Foresight and Impact (RIFI), FP7 project No 228293, 2009 62 Impacts of Large-Scale Research Facilities – A Socio-Economic Analysis, Research Policy Institute, (2004)Lund University 63 Evaluation of Research Infrastructures in Open innovation and research systems (EvaRIO), FP7 project No 262281, 2013 64Additional information available in OECD, 'The Impacts of Large Research Infrastructures on Economic Innovation and on Society: Case Studies at CERN'(2014),OECD 65 Cost/Benefit Analysis in the Research, Development and Innovation sector (2016), Center of Industrial Studies, University of Milano. Additional information available at:   [*https://www.csilmilano.com/docs/WP2016\_01.pdf*](https://www.csilmilano.com/docs/WP2016_01.pdf) 66 Evaluating and Monitoring the Socio Economic Impact of Investment in Research Infrastructures, (2015)Technopolis 24 Additional difficulty in proper quantifying benefits is linked to the fact that RI tends to have supranational impact and that makes economic analysis more demanding than for investments with mainly local and regional impact (such as transport projects). As a consequence, Socio-economic impact assessments, although considered strategically relevant by the political decision makers, are not carried out in a systematic manner throughout the life cycle of an RI. As highlighted by ESFRI, National authorities and funding bodies should be explicit about the role that socio-economic impact plays in their strategy and funding decisions so that RI operators are aware of its significance and take appropriate action when developing strategy and operating models. Periodic monitoring of societal impact should be a part of the regular assessment of the RI. Furthermore, the discussions with stakeholders have also indicated the need to have a better assessment of the intangible investments, in quantitative terms, since these remain poorly understood. As highlighted by the Commission67, investments in intangible assets tend to be underestimated and there is a need of a fuller understanding of intangibles as a source of macro-economic growth, and corresponding means of measuring knowledge creation and intangible capital (including R&D and taking account of the complementarity and synergies with other intangibles, such as computerised information and economic competences). The Square Kilometre Array (SKA): Impacting beyond the boundaries of science The Square Kilometre Array (SKA) is an international project, which illustrates both the direct and indirect socio-economic impact of investment in RI. SKA will develop a radio telescope with a receiving surface fifty times larger than the biggest telescope now in existence. Notwithstanding the scientific purpose of the project, a large number of other significant benefits in terms of technological innovation, industrial development, knowledge and education and other indirect societal impacts have been identified during the preparatory phase of the project68. As such, once completed, SKA will generate data at a rate more than 10 times today’s global Internet traffic. This will stimulate cutting-edge advances in high-performance computing and Big Data science and will foster the development of global sensor networks and real-time monitoring which impact potential commercial and government applications. The SKA partners have also been investing in developing the required skills through their dedicated Human Capacity Development ***Programmes***. As an example, in South Africa, already in 2010 more than 700 people, ranging from artisans to postgraduate students and postdoctoral fellows, had already received support from the project. This is causing a surge of interest in studying mathematics, engineering and astrophysics at local universities, and attracting top students and academics from around the world to South Africa. In addition, a number of opportunities will arise around the demand created by the facilities that will lead to a number of small-scale business opportunities to be developed in the Region, which are expected to drive community development. 67 European Economic Forecast, European Commission (2016) 68 Additional information available at   [*http://www.cost.eu/events/ska*](http://www.cost.eu/events/ska) 25 As a follow-up of the stakeholders' consultation process, the main elements which deserve further consideration are:  Contribute to the development of a standardised international approach to measuring the socio-economic impact of Research Infrastructures Many stakeholders such as CESAER stated that they would support the development of a common, reliable and normalised reference framework for impact assessment, which would imperatively need to take into account the diversity of RI as well as the evolution of the impact along their life cycle. The relevance of Socio-economic impact and the increasing demand for methodologies and tools for assessing the social and economic impact of RI69 has also been confirmed by the OECD Global Science Forum which has then launched a specific initiative aimed at developing a standardised reference framework of robust and reliable methods, based on agreed indicators, for assessing socio-economic impact of Research Infrastructures70. There was a general agreement on the fact that the Commission should continue collaborating with the OECD and other relevant international players on the development of a common approach to RI socio-economic impact assessment.  Stimulate the further integration of Research Infrastructures in the socio-economic local context. Physical Research Infrastructures (especially the large analytical facilities) are an integral part of the geographical region in which they are located. Since Regions are important arenas for innovation and are key actors in developing effective regional innovation ecosystem, they can play a role to ensure impact and integration of RI into regional innovation ecosystems. As stated by European Regions Research and Innovation Network (ERRIN), Regions are also close to what is happening on the ground and used to collaborating with many different stakeholders (…); they can act as bridges between research and growth policy and inspire cross-silo initiatives. EIROforum, highlighted how, by attracting hi-tech companies and specialized facilities, educational establishments, and offering new employment possibilities, RI create an ‘innovation hub in their regions which, being in many countries responsible for universities, can then play an important role in the upskilling of RI staff and user communities. The discussions therefore indicated a requirement for the Research Infrastructures to consolidate their position and to establish appropriate links with all the relevant entities at regional level. 69 Global Science Forum working document, DSTI/STP/MS(2016)3 70 Idem Ibidem 26  Increase the visibility of Research Infrastructures to society at large One of the main impacts that RI have is the visibility they provide to science. In this respect RI often have features that appeal to the public and therefore have a complementary role to the universities and other RPO when it comes to public outreach that may stimulate, when appropriately communicated, interest in science and technology of young people and students. The correlation of RI visibility with the societal impact it is extremely strong although in many cases still understated. RI need to dedicate sufficient resources to communicate better and better explain their added value. The engagement with the public at large remains vital to ensure a proper societal understanding of the relevance of the activities of RI. The consequent social acceptance can then indirectly lead to a smoother positive decision to cover its underlying costs by the political level. 2.5 Exploiting better the data generated by the RI Research is increasingly data-driven and RI are nowadays becoming research data factories, while the complexity and volume of data sets grows exponentially. In parallel, the principles of Open Science are becoming widely accepted and the European Commission has implemented a policy for open access to scientific information including data. As an example, the European Commission has developed the Joint Research Data Catalogue71, making available to the public a large number of databases, JRC publications and software and modelling tools resulting from scientific work carried out in Europe, including the output from JRC and European RI. It is thus clear that ensuring better availability, access and reuse of research results and scientific data generated by RI, including for non-research purposes, will be essential to improve research replicability and efficiency, strengthen innovation, develop new activities and boost the productivity and competitiveness of the European industry. Accordingly, data ***produced*** with the RI should be as open as possible and as closed as necessary under the FAIR data principles (findable, accessible, interoperable and reusable). Capitalizing on the power of data requires RI to adopt and implement consistent Data Management policies including the use of Data Management ***Plans*** (DMPs).The European Charter for Access to the Research Infrastructures lists Data Management policy as one of the important aspects to be included by RI in their policies and bylaws, while it further recommends that research data ***produced*** through the use of the RI be as open as possible to promote further re-use for research, innovation and education purposes. The Charter also addresses DMPs as important instruments for making the most out of the research data ***produced*** by the RI. Data Management policies clarify roles and responsibilities that concern data production and stewardship, while DMPs outline 71 Joint Research Centre Data Catalogue   [*https://data.jrc.ec.europa.eu*](https://data.jrc.ec.europa.eu)/ 27 the ***planning*** for the production, standards, dissemination, curation of data in their entire lifecycle, long-term preservation, among others. In this context RI should be also addressing challenges identified as important such as ethical and legal issues regarding data, data protection, issues of privacy, inter alia as well as technical, semantic and legal interoperability. ELIXIR/CORBEL – Harnessing the power of data for improving health care ELIXIR offers an example of initiatives aimed at exploiting the potential of the large quantity of data generated through research ***programmes***. Because of new technologies such as next-generation DNA sequencing, data ***produced*** in life science doubles every few months. New types of data also emerge at rapid pace in this field and they need to be integrated meaningfully. The collection, curation, storage, archiving, integration and deployment of bio-medical data present a huge challenge that cannot be handled by a single organisation or by one country alone. It requires international coordination, and very significant investments. ELIXIR72, one of three priority ESFRI projects, addresses precisely this challenge. Its purpose is to operate a pan-European research infrastructure for biological information, integrating leading data resources, and providing data services to the scientific community in medicine, biotechnology, food, ***agriculture*** and biodiversity. It may also support the management of other life sciences related challenges (personalising medicine, rising healthcare costs etc.). The FP7 BioMedBridges cluster project, and its follow-up project CORBEL in Horizon 2020, which are both coordinated by ELIXIR, involve all the other biomedical ESFRI infrastructures. Through ELIXIR and CORBEL, researchers find easier and more integrated access to the resources they require for their biomedical research. This will directly impact basic discoveries, as well as innovative drug design, leading to the development of new medicinal products and improved health care. To address the era of extreme-scale systems (exascale databases and computing machines), RI will heavily rely on e-infrastructures, i.e high-speed connectivity, top-of-the-range computing infrastructures, data management services and storage resources. However, e-infrastructure services are currently too often developed as stand-alone systems by individual RI. e-infrastructure resources and services address several scientific domains and can be more or less customized to meet specific community requirements. One of the most recurrent comments collected during the consultation concern the need to bridge the gap between RI and the providers and operators of e-infrastructures and associated core services. Addressing this challenge requires designing and prototyping new services to be developed in an integrated and standardised manner to meet the specific needs of the different scientific communities. This implies an effort to integrate and open national research infrastructures by means of 'physical' and 'virtual' access to the research resources (instruments, network, computing and data). 72 Additional information on ELIXIR available at   [*www.elixir-europe.org*](http://www.elixir-europe.org) 28 The European Plate Observing System (EPOS) – Moving towards open, interconnected, data-driven and computer-intensive science In the area of environmental sciences, the European Plate Observing System (EPOS) is another example on how only an integrated approach to data management enables achieving the intended scientific goals. In solid earth sciences, large amounts of data are generated by observational systems, monitoring networks and experimental facilities. These data are essential to understand the Earth’s physical and chemical processes that control earthquakes, volcanic eruptions, ground instability and tsunamis as well as those driving tectonics and Earth’s surface dynamics. The European Plate Observing System (EPOS) aims at creating a pan-European infrastructure for solid Earth Sciences to foster access to multidisciplinary data, products and services relying on distributed national research infrastructures. The easy discovery of data and products as well as the access to visualization, processing and analysis tools will facilitate the use and re-use of data within the geoscience domain and likely beyond it. EPOS will standardize, homogenize, and integrate data and will handle the volume, variety, variability, and veracity of big data to leverage their accessibility via a virtual research environment. To achieve this, EPOS has developed a new portal architecture, the Integrated Core Services, connecting data users and data providers for an open and friendly access to data, software services, computing and instrumentation resources. The new infrastructure guarantees interoperability with the Thematic Core Services where data, products and specific services are provided by the involved communities through national and European data centres. By federating existing scientific data infrastructures and cloud-based services, the EOSC will address the fragmentation of e-services and will provide seamless access to and preservation of data, as well as services for connectivity, computing, data storage and management, among others. The EOSC will facilitate access to FAIR data by fostering data management, discoverability and reuse across all research disciplines; it will help develop specifications for interoperability and data sharing across disciplines and infrastructures, thus contributing to the reusability and interoperability of diverse types of data. As it is commonly agreed that Open Data carries a cost for data ***producers*** (mainly) and for data users, the Commission services committed to draft a Roadmap for governance and funding of the EOSC in the autumn of 2017, for discussion with Member States. The Roadmap will specify concrete options for the long-term sustainability of research data and of the supporting data infrastructures, beyond the life-span of individual research grants As a follow-up of the stakeholders' consultation process, the main elements which deserve further consideration are:  The need for RI to take responsibility for the Data Management dimension with specific reference to the data storage, curation, access and re-use aspects. The requirement for a more integrated and interoperable approach to the data challenge was also clearly highlighted, keeping into account, whenever necessary, the ethical, privacy, security and copyright and IPR constraints. 29  A closer involvement of the RI in the development of the European Open Science Cloud for Research with a view to improve interoperability and effective access to and reuse of scientific data. In this context, RI would participate in the EOSC, aligning themselves to the principles of Open Science they are extensively adopting, helping to shape EOSC and make it fit-for-purpose for European researchers across all disciplines. They would expose their services and data to the EOSC; data ***produced*** by the RI should then follow the FAIR principles and be available, enabling the widest reuse possible for scientific and other purposes. In this way the impact of the services and outputs of the RI would be broadened, helping address the needs of all European researchers, as well as SMEs and the wider public, such as citizen scientists. 2.6 Establishing adequate framework conditions for effective governance and sustainable long-term funding for RI at every stage in their life-cycle The ESFRI roadmaps have led to a convergence in the ***planning*** for establishing pan-European RI and have, as a result, triggered similar exercises in Member States and associated countries that have developed National RI Roadmaps, which in addition to indicating national priorities, also identify synergies with the ESFRI roadmap. However, differences in national budget cycles and of the validity and timing of updates of national roadmaps make joint investment decisions for construction, operation and phasing out of pan-European RI complicated as these differences are amplified when trying to agree a coordinated funding for pan-European RI. In addition the fact that at national level, Roadmaps and associated funding decisions are made on the basis of competitive calls do insufficiently take into account the long-term commitment needed for RI which lifetime goes well beyond the cycles of updating national roadmaps. Moreover, and this is visible at European and national level, no mechanism comparable to the way international financial obligations are being dealt at national level with for example for CERN, ESA and other treaty based international research organisations, has been established for pan-European RI. A possible solution that could be explored is to see whether financial contributions to ESFRI projects and ERICs could be provided under national budget lines similarly and systematically regarded as for international treaty-based organisations. This could provide the RI operators a sufficient stable investment environment allowing these to concentrate on providing high quality services for their user communities instead of continuously looking for funding even for their basic operations. As also highlighted by the respondents to the consultation, in the current institutional framework, the role of the Commission is presently underexploited as it can play a relevant role in the development of a coherent European RI ecosystem, namely 30 anticipating shortfalls, promoting the visibility of these pan-European RI and safeguarding European interests. Taking into account that RI are integrated in an evolving ecosystem, regular upgrades are a crucial part of the life cycle of the RI to allow it to stay at the forefront of scientific output and decommissioning should be a considered a natural process. In this decision making process, it appears that cost-benefit and scientific landscaping analysis are widely considered, but there are no common principles for evaluation and accounting of RI to support decision makers to upgrade or decommissioning73 and no common international accounting standards related to management, evaluation of the “fair-values” and recovery of “sunk-costs” when a RI needs a transition. In order to inform decision making processes, stakeholders have considered crucial to perform a regular and systematic evaluation and monitoring of ESFRI projects and ERICs assessment in order to clearly identify the need for changes in the current scientific cases of the RI and the new funding instruments and governance mechanisms needed on a long term perspective. ESFRI and the Commission High Level Expert Group for assessing the projects on the ESFRI Roadmap in 2012 have played a role in the methodology development, but there is a need to institutionalize the Assessment process. In terms of governance mechanisms, the ERIC Regulation was a response to the European political ambition of creating the European Research Area to enable tackling current challenges, such as internationalisation of research; achievement of critical mass; development of distributed facilities; development of reference models). Currently, there are 14 ERICs and these pan-European RI are a solid attempt to secure funding for operation, by a core group of Member States and associated countries, but their sustainability could be improved (eg.by broadening the participation to a larger group of Member States and international partners). Even when the ERIC successfully engages the Member States and associated countries in the governance and financing of these RI, the issue of assuring long term commitment remains in many cases. In the case of SHARE-ERIC Survey of Health, Ageing and Retirement in Europe, performing longitudinal studies relying on regular (small and multi-level) contributions of numerous funding organisations for their operation still represents a sustainability bottleneck. 73 However, the possible life evolution, with specific reference to decommissioning is not always addressed appropriately in the early development stages of the projects, as could be shown in the ESFRI report of the 2010 Roadmap which refers to the fact that decommissioning was considered for only 30% of the projects. The stakeholders consultation also highlighted that decommissioning is often not integrated in the RI lifecycle management and in the RI business ***plan*** (if ***produced***). Decommissioning phase should also cover the issues of personnel and knowledge so as to allow a smooth and efficient transfer of expertise and know-how to other new or state-of-the-art RI projects like those for instance established under harsh Arctic environment and requiring regular updates. 31 SHARE-ERIC challenges RI, contributing to EU policy making, currently lack a specific type of EU support, to promote the use of these ERICs collecting and sharing data resources, such as data archives, to researchers benefiting from EU support like Horizon 2020. The main elements which derived from the consultation process in terms of governance and funding of RI are:  Set a minimum target budget reflected in infrastructural investment; Achieving the EU goal of 3% of GDP investment in research would improve the sustainability of the RI ecosystem at a national level, but also reflects stability on the commitments for Pan-European RI.  Encourage synchronisation of national roadmaps and their alignment with the European RI roadmap; Member States and associated countries define their strategies on RI, through a national RI roadmap, which ideally is a process conducted prior to an ESFRI Roadmap update, allowing for effective and efficient collection of political support and financial commitment. The appropriate level of commitment of Member States and associated countries needs to be secured for pan-European RI and several stakeholders suggested the need to look into an ERA-NET, co-funding mechanism to ensure this early stage involvement. The ***planning*** and financial engineering of the construction74, the related national (road mapping and budgetary) procedures, the identification of other funding instruments such as ESI Funds and innovative financing instruments need to be subject of reflection. The consultation process highlighted the possibility of the setting up of a 'ESFRI common 74 Cost control and management issues of global research infrastructures, Report of the European expert group on cost control and management issues of global research infrastructures, October 2010, ISBN: 978-92-79-17390-5 32 pot' out of which the evaluation of ESFRI projects by experts, the development of studies on socio-economic impact as well as exchanges of best practices could be organised.  Improve RI' costs coverage; Improving the coverage of RI costs implies a higher visibility for their services to the research communities. Turning operational RI costs eligible in research grants, at a national and European level. For instance, in the form of a fixed percentage that would be added to the user costs allowing for the RI to undertake maintenance could be beneficial for the sustainability.  Improve RI's bankability by supporting the development of an RI business model; The definition of business models was seen by stakeholders a critical tool to facilitate the funding for construction and operation of an RI, as more than half of the RI consulted declared not having developed or regularly updated a business ***plan*** in support of their entire life cycle. The development of a credible business ***plan*** during the preparatory phase of an RI is recognised as imperative to improve the bankability of RI. Stakeholders indicated the potential requirement for dedicated guidelines for business ***plan*** development to be developed at European level.  Further exploit the ERIC instrument; Stakeholders regard the ERIC instrument as a legal instrument which could facilitate joint efforts and future commitments for the development of a European ecosystem of RI. Stakeholders also responded that the ERIC instrument is relatively new and will still need some time to prove its efficiency. Respondents also considered that the EC should further promote the ERICs as pan-European service providers through the Framework ***Programme***. Stakeholders identified a number of areas for further development of the instrument, such as the VAT exemption, extension of the ERIC applicability to EURATOM, using the ERIC as a legal basis model for international consortia and to research networks.  Develop a stronger monitoring, support of the Pan-European RI and the development of an international benchmark RI landscaping before taking decisions on development/upgrading/termination of an RI. In order to strengthen the monitoring and assessment of the RI, there is a need to develop a stable assessment mechanism, to be used at European level. There is also a need to develop the appropriate KPIs (qualitative and quantitative performance indicators) for the RI to operate would serve as a good basis to achieve sustainable monitoring and governance of Research and Data Infrastructures. The need to have an international benchmark was referred as a relevant background to develop a ***strategic*** assessment of the European landscape.  Better inform the upgrading and decommissioning decision-making process; The need to introduce international evaluation and accounting standards as support to decision makers, allowing choices/***planning*** between different options (renewal versus decommissioning) was highlighted by several stakeholders. 33 The establishment of common guidelines on decommissioning, including provisions for channelling expertise acquired data and research results, know-how from RI users and operators towards other RI was also raised as an important basis to structure a decommissioning process.  Improve the synergies with ESI Funds, to implement national RI roadmaps and to support transnational access schemes between RI; The European Structural and Investment Funds (ESI Funds) provide substantial investments in research and innovation. Also, for less research intensive regions of the EU, significant amounts of resources are available via ESI Funds. In order to exploit this opportunity, it is important to reconcile the long-term competitive advantages resulting from RI with the short-to-mid-term socio-economic advantages that qualify for the use of ESI Funds, by improving the cost-benefit assessment methods for RIs and enhancing their relevance for the national or regional economy. The Staff Working Document 'Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union ***programmes***'75 provides guidance for policy-makers and implementing bodies of H2020 and ESI Funds to promote and implement synergies between ***programmes*** and funds available. RI are natural candidates for these potential synergies, in particular via the typical use of H2020 and ERDF in sequential projects, from the feasibility studies (H2020/FP), to the construction (ERDF), and use for research activities (H2020 or other projects). Many countries and regions have used this type of synergies, by assessing the contribution of RI to national and/or regional research and innovation strategies for smart specialisation strategies (RIS3)76. The EU Reflection Paper on the future of EU finances calls for 'a much more radical approach to simplifying implementation and allowing for more agile and flexible programming77'. The post 2020 Framework for Research & Innovation and Cohesion Policy needs to be co-designed from the start. Several stakeholders referred to the need for a coupling between the follow-up of Horizon 2020 and ESI Funds to support infrastructures development and operations. ELI is one of the emblematic cases of the use of ESI Funds for the construction investment, but there is also a considerable potential to use ESI Funds to support the development of regional nodes of pan-European RI and transnational access schemes, at the national level. 75 'Enabling synergies between European Structural and Investment Funds, Horizon 2020 and other research, innovation and competitiveness-related Union ***programmes*** - Guidance for policy-makers and implementing bodies' (2014) European Commission, Directorate-General for Regional and Urban policy 76 More examples at:   [*http://s3platform.jrc.ec.europa.eu/synergies-examples*](http://s3platform.jrc.ec.europa.eu/synergies-examples) 77 EU Reflection Paper on the future of EU finances, June 2017, p. 17,   [*http://ec.europa.eu/budget/mff/hlgor/library/reports-communication/hlgor-report\_20170104.pdf*](http://ec.europa.eu/budget/mff/hlgor/library/reports-communication/hlgor-report_20170104.pdf) 34 Extreme Light Infrastructure (ELI) – A successful example of synergy between European Research and Regional Development ***programmes*** The Extreme Light Infrastructure (ELI) represents a remarkable example of how the instruments of the EU’s regional policy can be used to serve both the objective of economic cohesion and the development of the European Research Area. ELI is pioneering a novel funding model combining the use of EU Framework ***Programme*** (FP7 and Horizon 2020) funds for the preparation, European Regional Development Fund for the construction, and member contributions for the operation of the future ELI ERIC. It is also the first ESFRI project to be constructed in Eastern Europe. ELI is a laser facility from the 2010 ESFRI Roadmap that will host some of the most intense lasers world-wide. The facility is a distributed RI currently based on three sites in the Czech Republic, Hungary and Romania, with a construction investment volume exceeding Euro 850 Million, mostly stemming from the European Regional Development Funds (ERDF). ELI has then been awarded two Framework ***Programme*** grants, one under FP7 to support its preparatory phase and, more recently, one under H2020 to support its transition, in 2018, under one single legal umbrella of a European Research Infrastructure Consortium ELI-ERIC. In order to maximise the impact of ESI Funds, the contribution of RIs to industrial development and transformation via a better embeddedness in the innovation eco-systems of the Member States and regions and their research and innovation strategies for smart specialisation should be improved. Similarly, the capacity of RIs in less research intensive regions to connect to international research and innovation networks and attract foreign companies and scientists to use their facilities should be enhanced e.g via twinning and teaming actions or ERA Chairs.  Encourage the use of financial instruments; The InnovFin78 instruments under Horizon 2020, the European Funds for ***Strategic*** Investments (EFSI) ) and the ESI Funds can provide another potential source of funding for the construction and operation of RI, as already tested at a smaller scale in FP7 with the Risk Sharing Financing Facility (RSFF). However, the capacity of generating revenues by RI is very limited and loans would typically be used for bridging a gap during the construction to cover all construction costs so that the project can move forward or cash flow management. Providing guarantees for securing loans for the construction or operation of RI RSFF supported five research infrastructure projects with a total signed loan volume of EUR 628.5 M:  Alphasat is a joint undertaking of the ESA (European Space Agency) and Inmarsat Plc, a UK-based satellite communications company. Inmarsat obtained a loan of up to EUR 225 78 InnovFin 'EU Finance for Innovators' instrument is a joint initiative of the EIB Group and the European Commission under Horizon 2020. It builds on the Risk-Sharing Finance Facility developed under FP7, which for the period 2007-2013 financed 114 projects of EUR 11.3 billion and provided loan guarantees for another EUR 1.4 billion. More information available at   [*http://www.eib.org/products/blending/innovfin/index.htm*](http://www.eib.org/products/blending/innovfin/index.htm) 35 M in 2010 towards the construction and launch of a satellite expected to cost around EUR 598 M.  Sincrotrone Trieste obtained a loan of up to EUR 20 M in 2010 for the completion and opening of the new FERMI@Elettra light source.  IBA (Ion Beam Applications) obtained a loan of up to EUR 50 M in 2009 for R&D projects in the fields of cancer diagnosis and therapy.  ESO-E-ELT, the European Extremely Large Telescope for optical astronomy, is part of the ESFRI Roadmap and obtained a loan of up to EUR 300 M in 2009.  Oxford Instruments specialises in the design, manufacture and support of hi-tech tools and systems for industry research, and obtained a loan in 2011 of up to EUR 30.83 M. InnovFin has so far financed five research infrastructures under H2020 with a total loan volume of EUR 527 M: ESFRI Roadmap:  CERN – High Luminosity Large Hadron Collider: up to EUR 228.2 M  European Synchrotron Research Infrastructure: EUR 65 M  ESS – European Spallation Source: EUR 100 M  ELI – Extreme Light Infrastructure: EUR 33.8 M Other Research Infrastructures:  Cooperation in Science and Technology: EUR 100 M The InnovFin Science79 is a new instrument which is being defined with the EIB, with the guarantee of the European Commission. This scheme aims to improve access to risk finance for R&I infrastructures (including innovation-enabling infrastructures), universities and research and technology organisations (RTOs). 2.7 Structuring the International outreach of RI The nature and complexity of the scientific investigations require a global approach for the design and operation of RI addressing them. Global cooperation is also the only option when pooling of resources is necessary to match investment needed for construction and operation of RI. 79 This instrument finances facilities, resources and services used by the research community to undertake research and foster innovation. Entities with dual teaching and research roles can also benefit. Loans from EUR 25 M to EUR 300 M will delivered directly by EIB. 36 Global cooperation on RI can also be used as a tool to support or complement the EU external policy and contribute to Science Diplomacy80 as seen recently with SESAME or in domains such as Arctic research. The Synchrotron-light for Experimental Science and Applications in the Middle East (SESAME) - Research Infrastructure and Science Diplomacy A recent example of Science diplomacy is the setting up of the SESAME (the Synchrotron-light for Experimental Science and Applications in the Middle East) international research and technology centre, located in Jordan. Launched in 2004 under the auspices of UNESCO, its members include Bahrain, Cyprus, Egypt, Iran, Israel, Jordan, Pakistan, Palestine and Turkey. Many other countries such as Brazil, China, Japan, Kuwait, Switzerland the Russian Federation and the US, as well as France, Germany, Greece, Italy, Portugal, Spain, Sweden and the United Kingdom from the EU, are also observers in SESAME. The project has been designed as a science for peace initiative and has a true scientific value as it is the Middle East's first major international research centre. It fosters scientific and technological excellence in the region, prevents or reverses the brain drain, by enabling world-class scientific research in subjects ranging from biology, archaeology and medical sciences through basic properties of materials science, physics, chemistry, and life sciences. At the same time it builds scientific and cultural bridges between diverse societies, and contributes to international cooperation in science. SESAME is one of the few projects in the Middle East today where trans-national dialogue is continuing in spite of a very difficult context. SESAME is expected to come into full operation in 2017. The Commission has supported the construction of the new magnets of SESAME, the training of staff managing and operating the facility and, since 2015, is an observer at the SESAME Council. The Stakeholders consultation clearly highlighted that the international outreach of RI is currently conducted in a fragmented way. It is in most cases left up to the single RI or projects to develop their international strategy. EU framework conditions on issues such as access, data management, IPR are not systematically taken into account when interacting with third countries. The ***strategic*** relevance of international outreach has recently been fully acknowledged at European level. As a consequence, a step ahead in trying to mitigate the above described shortfall is that international outreach has been recently introduced as one of the assessment criteria of the ESFRI roadmapping process. In this context, international visibility and optimal communication of the services provided is key in establishing ***strategic*** partnerships. As illustrated by CERN, a credible and transparent RI governance and funding model is essential to attract potential new 80 'New frontiers in science diplomacy'(2010),The Royal Society 37 members since this allows them to better assess the implications of any possible engagement. The main elements which derived from the consultation process in terms of governance and funding of RI are:  Structure the positioning of EU RI in the wider international arena; The discussions that took place in the frame of the consultation process highlighted that global outreach is clearly recognised as a key driver for long-term sustainability. Some of the stakeholders such as the ERF underlined the importance of a structured international landscaping exercise as the basis for any European approach to RI development. Stakeholders also showcased that the establishment of structured dialogues or collaborative mechanisms between European facilities and their potential third country counterparts is not as straightforward as it could appear since many sensitive political factors require to be appropriately tackled as of the early stages of negotiation. The ERF pointed out that, currently, the EU does not necessarily speak “with one voice”. In this respect, some cases presented during the stakeholder workshop in November 2016 highlighted that the coordination of a European approach in the frame of a wider international setting provides the advantage of increasing the visibility and strengthening the European position and, at the same time, of better fostering national commitments to the overall initiative. EURO ARGO – The European contribution to the International ARGO ***programme*** The international ARGO project is the first-ever global, in-situ ocean observing network, providing an essential complement to satellite systems. It is now the major, and only systematic, source of information and data over the ocean’s interior. It is an indispensable component of the Global Ocean Observing System required to understand and monitor the role of the ocean in the Earth’s climate system. Started in January 2008, Euro-Argo aims at developing a European 'infrastructure' for Argo which would support approximately 25% of the global array. The Euro-Argo initiative which in 2014 became an ERIC, aims to enhance the collective ability of its European members to contribute to Argo and, by working together, to do so more efficiently. This new infrastructure is beneficial to all partners and enables Europe to build and sustain its 'fair' contribution to the global array while providing enhanced coverage in sea areas of particular European interests (e.g the Nordic Seas, Mediterranean and Black Seas). The bilateral and bi-regional S&T dialogues managed by the Commission81 can be a vehicle to disseminate the current investments in RI and to facilitate the development of new partnerships with ***strategic*** partners. 81The European Union has concluded several Scientific and Technical Cooperation (S&T) agreements with a number of individual countries, from all over the globe. These agreements are based on common interests and priorities, aiming to increase cooperation in research and innovation, additional information available at   [*http://ec.europa.eu/research/iscp/index.cfm*](http://ec.europa.eu/research/iscp/index.cfm) 38 The ESFRI Roadmap process can also serve as a best practice to share with countries and regions interested in establishing a national or regional roadmapping processes.  Enhance the role of international fora in Research Infrastructure development; A number of fora have been set up in the international arena to deal with the RI dimension. Amongst these the G7 led Group of Senior Officials (GSO) on global Research Infrastructures and the activities on RI conducted by the Global Science Forum of the OECD. These two groups attempt, in a complementary manner, to derive best practices in policy dimensions such as access, impact assessment, innovation, data management while at the same time setting the conditions for effective collaboration to be initiated amongst the different countries and RI. The consultation process highlighted the need for Europe and Member States to be strongly engaged in such international fora while guaranteeing complementarity between the different activities to maximise resource efficiency and to avoid any divergent trends. 39 3. ELEMENTS FOR THE ACTION ***PLAN*** This section provides a synthesis of the elements, structured by policy dimension, to be considered as a basis for the action ***plan*** on long-term sustainability of RI: 1. Ensuring RI at the forefront of scientific excellence Consolidating ongoing initiatives and practices: 1. Simplify and harmonise access by encouraging European RI to put in place transparent access policies, in line with the definitions, principles and guidelines of the 'European Charter for Access to Research Infrastructures'; 2. Promote the “excellence driven access mode”, as defined by the Charter of the Access, as a requirement for funding the access to RIs; 3. Encourage RI to put in place multidisciplinary support mechanisms, including training modules to broaden the user base; Tackling new challenges: 4. Whenever possible, guarantee that a share of Excellence driven access is to be granted to the best research projects regardless of their origin and affiliation; 5. Implement effective, robust and systematic evaluation of RI, by developing guidelines for independent international peer-review, such as the establishment of Technical Evaluation and Management Assessment Committees; 6. Assess the quality and impact of the RI and its services, by developing a set of Key Performance Indicators, based on Excellence principles; 7. Require users to systematically acknowledge the contribution of the RI when publishing and disseminating their results, by encouraging the implementation of a tracking system for the RI use. 2. Configuring European RI as skills development and mobility actors Consolidating ongoing initiatives and practices: 8. Encourage short to medium term mobility between RI through dedicated staff exchange ***programmes***; 9. Facilitate cross-border skills development, by reinforcing the support for trans-national access to RI, at European level; 10. Disseminate the opportunities for access and jobs in an RI through a single and centralised portal, such as EURAXESS; Tackling new challenges: 11. Develop a standardised European curricula for training of RI managers and operators, building on the RAMIRI and RITRAIN and other initiatives, by 40 structuring a Sectorial Qualifications Framework, namely on leadership, management and data steward qualifications; 12. Encourage national and regional funding ***programmes*** to support cross border access to RI; 13. Increase the visibility of RI services and broaden user communities by developing a European catalogue of RI services. 14. Stimulate an internal European RI job market, by promoting initiatives to harmonise career paths, salaries and pension schemes such as RESAVER, as well as exchange and re-integration schemes between RI, academia, business and industry; 3. Unlocking RI Innovation potential and stimulating industry engagement Consolidating ongoing initiatives and practices: 15. Support the integration of RIs into their regional and thematic innovation ecosystems; 16. Enhance the role of intermediaries by developing specific mechanisms to facilitate knowledge and technology transfer into industrial, public and commercial environments, such as Industrial Liaison platforms shared between several RIs; 17. Increase RI engagement with industry, SMEs and start-ups, by fostering their direct and early-involvement in RI Advisory Boards and through dedicated training and exchange schemes; 18. Include provisions in RI access policies to facilitate the use of RI services by Industry, business and public sector; Tackling new challenges: 19. Develop instrumentation and technologies in a co-creation process, by stimulating large scale initiatives and pilots involving industry, RI and academia; 20. Develop ***strategic*** roadmaps in key technologies required for the construction and upgrades of the pan European RI in synergy other European Research initiatives (such as EIT, KICs and KETs) 4. Boosting RI impact, value and benefits of RI Consolidating ongoing initiatives and practices: 21. Broaden stakeholders' engagement by developing criteria and narratives to define environmental, social, cultural and political impact and invite RI to communicate better their added value; 22. Reinforce the integration of RI in the regional scientific, economic and social 41 ecosystem by assessing the contribution of RI to national and/or regional research and innovation strategies for smart specialisation (RIS3); Tackling new challenges: 23. Support the development and uptake of an internationally accepted model and criteria describing the socio-economic impact of RI for the different types of Infrastructures, based on quantitative and qualitative indicators; 5. Enhancing RI as the pillar for data production and sharing Consolidating ongoing initiatives and practices: 24. Encourage research data ***produced*** by RI to be as open and accessible (including curation and metadata) as possible and compliant with the FAIR data principles; 25. Stimulate RI to establish transparent Data Management Policies in accordance with the 'European Charter for Access to Research Infrastructures', clarifying roles and responsibilities of data production and stewardship and increasing standardisation, interoperability of services and research replicability; Tackling new challenges: 26. Promote the re-use of research data ***produced*** by RI for research, innovation and education purposes by supporting the connectivity of RI to the European Open Science Cloud for Research; 27. Encourage RI to promote the use of Data Management ***Plans*** addressing the production, dissemination and curation of data (and metadata) in their entire lifecycle, including their long-term preservation; 6. Ensuring effective governance and sustainable life-cycle management Consolidating ongoing initiatives and practices: 28. Encourage the synchronisation of national RI roadmaps/ budgets and their alignment with the European RI roadmapping process; 29. Stimulate a dedicated budget for European RI investment at national level; 30. Optimise the use of European Structural and Investment Funds throughout the whole RI lifecycle by fostering the development of RI business ***plans*** and support RI to meet regional / national RIS3 priority objectives; 31. Optimise the financial ***planning*** of RI by facilitating access to EU financial instruments (EFSI, ESIF and InnovFin), namely through the new instrument InnovFin Science targeting RI; 32. Encourage private funding for development of new services and technologies; Tackling new challenges: 42 33. Increase transparency in cost calculation and include access to RIs, as an eligible cost in a research grant; 34. Stimulate a stronger early stage involvement of Member States in the development of European RI and develop a stable monitoring system; 35. Provide EU support to newly established ERICs on new services development, interoperability and international outreach; as well as to their operation where there is a clear added-value for EU policy-making; 36. Facilitate the use of the ERIC instrument, by further clarifying the extent to which incentives for investments such as VAT exemption for in-kind contribution can be used by the Member States; 37. Improve bankability of RI by establishing guidelines for the production of RI business ***plans***; 38. Establish guidelines for the termination stage, including provisions for channelling expertise acquired data and research results, know-how from RI users and operators towards other RI; 7. Promoting European RI in the international arena Consolidating ongoing initiatives and practices: 39. Promote visibility of European RI and of their services at international level; 40. Encourage the systematic analysis of the international landscape in the national and EU RI roadmapping process so as to identify potential gaps and complementarities; Tackling new challenges: 41. Encourage Europe to take leadership in the dialogues on research infrastructures of global relevance with international partners; 42. Promote the use of EU policies, standards and best practices such as access to RI and data management policies for RI as reference in international fora. 4. CONCLUSION The consultation on the long-term sustainability of Research infrastructures provided a timely opportunity to engage in a transparent and constructive manner with all key stakeholders on the issues that are hampering the optimal management of the European landscape of Research Infrastructures. The consultation findings, published in June 2016 and the validation workshop of November 2016, where crucial to analyse the main challenges and validate all the conditions hindering RI sustainability. The subsequent cooperation with ESFRI, EIROforum and its members, the ERA stakeholders and the ERICs has led to the 43 identification of key elements to be considered for an action ***plan*** addressing the sustainability of Research Infrastructures, as requested by the Competitiveness Council conclusions of May 2016. The present document proposed a set of policy discussion items that could set the basis for a debate with the Member States and the stakeholders on the measures to be taken at all levels in Europe to address the sustainability of Research Infrastructures in a medium to long-term vision. The Presidency events, which will be organised in 2018 on Research Infrastructures, will offer the platform for such a debate with the Member States, the funders and managers of Research Infrastructures and their user communities. The Commission intends to support the implementation of this action ***plan*** by facilitating the cooperation and coordination between the Member States and stakeholders and by increasing the complementarity of its' policy instruments, such as the Framework ***Programme*** for Research and Innovation and the European Structural and Investment Funds, taking advantage of the opportunities that may arise for Research Infrastructures from the next Multiannual Financial Framework. 44 ANNEXES Annex I – Overview on EU policies and ***programmes*** on RI Annex II – Stakeholders Consultation Report Annex III – Outcomes of Stakeholders Workshop 45 Annex I – Overview on EU policies and ***programmes*** on RI The European Research Area and the Innovation Union flagship initiative The Innovation Union Flagship initiative (2010) and ERA Communication (2012) commitments82 have been fulfilled to a large extent in 2015. The 60% target of implemented ESFRI projects was reached and the cooperation with ***strategic*** international partners was strengthened by the adoption in 2013 by the G8 Science Ministers of a Framework for Global Research Infrastructures83, prepared by the Group of Senior Officials on Global Research Infrastructures (GSO). Similarly, the ERA Communication recommendation led to the publication of the Charter for Access to Research Infrastructures84 and the definition of Horizon 2020 dedicated actions to support the training of RI managers and the access to pan-European RI. The 2014 ERA progress report85 stressed however the need for further synchronisation of national and European roadmaps and the associated pooling of funding. In 2016, the ERA progress report observed significant progress on the linking of national RI decision-making processes to ***strategic*** European priorities, but also stressed that there is a need for further coordinated funding for implementation and operation and that a strategy to ensure RI long-term sustainability should be agreed between Member States86. The ERIC Regulation In the context of the accomplishment of the ERA, the ERIC Regulation87 was adopted by Council in 2009 as a new legal instrument to facilitate the establishment and operation of large European RI among several Member States and associated countries (AC). The successful uptake of the 2009 ERIC Regulation has been recorded in the first ERIC Report that was submitted to Council Parliament in July 2014 and confirmed by Council Conclusions in December 2014, which welcomed the progress on the implementation of ERICs and invited the Commission to present the next report by 2017. It also invited the Commission and Member States to facilitate the use of the ERIC instrument and to 82 Additional information at:   [*http://ec.europa.eu/euraxess/pdf/research\_policies/era-communication\_en.pdf*](http://ec.europa.eu/euraxess/pdf/research_policies/era-communication_en.pdf) 83 Additional information at:   [*https://ec.europa.eu/research/infrastructures/pdf/gso\_framework\_for\_global\_ris.pdf*](https://ec.europa.eu/research/infrastructures/pdf/gso_framework_for_global_ris.pdf) 84 Additional information at:   [*https://ec.europa.eu/research/infrastructures/index\_en.cfm?pg=access\_ri*](https://ec.europa.eu/research/infrastructures/index_en.cfm?pg=access_ri) 85 COM(2014) 575 final 86 ERA Progress report 2016,   [*http://ec.europa.eu/research/era/eraprogress\_en.htm*](http://ec.europa.eu/research/era/eraprogress_en.htm) 87 Council Regulation (EC) No 723/2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC Regulation) 46 stimulate investments in ERICs and other ESFRI Roadmap Infrastructures, 'for example as concerns in-kind contributions'. The second implementation Report addresses Value Added Tax (VAT) exemptions, other incentives for investments in ERICs and the possibility of establishing a European ERIC Registry so that legal certainty can be given both for Member States and third parties. The report reflects on the role of the Commission in the ERICs as possible member or observer, the incorporation of the ERIC in the EU administrative systems as a recognised legal entity and the role of associated countries. So far 1788 ERICs have been awarded and it is expected that this number will increase to 2089 by the end of 2017. The 17 ERICs combined with ongoing applications will have statutory seats in nine different Member States and one associated country (AT, DE, ES, FI; FR, IT, NL, NO, SE, UK) and will have overall membership of 22 Member States and 3 associated countries. This is illustrative not only of the uptake of the ERIC legal instrument by the Member States and associated countries but also of the usage of instrument by the science communities to further pool resources and activities at pan-European level. Figure 1 provides the status of ERIC implementation of December 2016. Graph 1- ERICs Membership increase Source: European Commission, DG RTD, March 2017 88 The following 15 ESFRI projects are currently established as an ERIC: SHARE, European Social Survey, CLARIN, EATRIS, BBMRI, ECRIN, Euro-Argo, DARIAH, European Spallation Source, ICOS, EMSO, LifeWatch, CESSDA, ECCSEL and INSTRUCT . In addition, two ERICs, CERIC and JIVE are not on the ESFRI Roadmap. 89 The submissions for EU-OPENSCREEN, EMBRC and INFRAFRONTIER are still expected in 2017. 47 The ESFRI Roadmaps ESFRI, a Forum that was set-up following a recommendation of the Competitiveness Council in 2001, supports a coherent and strategy-led approach to policy-making on research infrastructures in Europe, and facilitates multilateral initiatives leading to the better use and development of research infrastructures, at EU and international level. The first Roadmap was published in 2006 and updated in 2008, 2010 and 2016. The 2016 Roadmap includes 15 RI projects left from the previous editions and added 6 new (Actris, Danubius, Emphasis, EST, KM3Net 2.0, E-RIHS). The focus on these 21 projects results from the successful implementation of the Council recommendation to prioritise Research Infrastructures development in the EU90.One of the main drivers of the new edition of the Roadmap was to prioritize the number of new projects to a manageable size, also in function of the need to guarantee their funding for construction and operation, as to say their long-term sustainability. The 2016 Roadmap also introduced a new category of RI which are entitled Landmarks. These entail 29 RI, which have reached the implementation phase (comprising construction and operation). These RI will require substantial funding and support in the next years to reach full operational capacity and to ensure their long-term sustainability (estimated investment volume of EUR 12.4 billion with an operational budget of EUR 1.4 billion/ year). The Framework ***Programme*** for Research and Innovation: Horizon 2020 The Commission has continuously supported Member States in their pledge to seek a better alignment of funding commitments for the construction and operation of pan-European RI, mostly through ESFRI. The Commission has acted, under the successive framework ***programmes***, as a facilitator of user communities' integration, design and clustering of RI, which has set the basis for the development of new European RI, from distributed to single-sited large facilities, with different levels of investment and costs. As a result, pan-European RI are being established in different scientific fields, ranging from bio-banks to cultural heritage, from astronomy, marine biology to physics. There is a combined approach been implemented through the Framework ***Programme***: on one side – top-down - supporting the priorities in 90 These Roadmaps are ***strategic*** tools to highlight the main new Pan-European endeavours, which have been put forward by at least 3 Member States or associated countries. The 2016 ESFRI Roadmap introduced a focus on fewer projects, a 10 year rule for the RIs to stay on the Roadmap with a notion of RI lifecycle approach, which will be maintained in the forthcoming updates. Its implementation will rely on the ability of the Member States to secure and align the necessary funding (the estimated budget for the construction of 21 projects in the 2016 Roadmap is EUR 4.100 M and the operation is EUR 275 M/year). 48 function of the shortfalls identified through a landscape analysis and, on the other – bottom-up – allowing for innovative and excellence-based ideas. Over the years, the funding for RI support has seen a constant growth, reaching 1.7 billion EUR under FP7 and almost EUR 2.4 billion under Horizon 2020. This support has set the grounds and aligned multilevel efforts to develop a coherent and user-oriented European RI landscape. Since the launch of Horizon 2020, the Commission also continues to support the early phase development of the new ESFRI projects and help their implementation and operation by developing their international outreach, their innovation potential and their connection to the European Open Science Cloud (EOSC). The distribution of grants allocated by type of action as well as their expected impact in terms of networking and access is indicated in the following table. Table 1. H2020 RI Work ***Programme***, Grants managed by DG RTD Source: European Commission, DG RTD, March 2017, Implementation of H2020 RI Work ***Programmes*** 2014-2015 and 2016-2017 The activities cover all scientific fields as shown in the following table, nearly half of the allocated budget goes to Life Sciences and Environment. Table 2. H2020 - Distribution of H2020 RI Grants, per scientific field (management of DG RTD) Source: European Commission, DG RTD, March 2017, Implementation of H2020 RI Work ***Programmes*** 2014-2015 and 2016-2017 Type of action Number of Grants EU Contribution Networked RI Served users Design studies for new RIs 8 22.327.476,25 Preparatory and early phase for new ESFRI RIs 13 34.562.781,25 Support to individual Implementation of ESFRI RIs 25 137.558.123,81 305 Cluster of ESFRI RIs for interoperability 8 91.911.694,25 24 70 EOSC 1 9.953.067,50 Integration and opening of national RIs 38 349.178.748,63 753 31.223 Exploiting the Innovation potential of RIs 3 8.927.918,88 International cooperation for RIs 9 15.454.863,75 Policy Support Measures 9 12.942.587,25 114 682.817.261,57 777 31.598 Scientific Domain Number of Grants EU Contribution Social sciences and Humanities 13 68.302.468,48 Life sciences 25 163.936.185,81 Environmental Sciences 22 142.463.359,87 Material sciences and Analytical Facilities 12 91.889.049,13 Physical Sciences and Astronomy 21 127.308.787,38 Energy and Engineering 7 46.731.007,65 Information Communication Technologies 4 26.153.874,00 Horizontal policy and inco support measures 10 16.032.529,25 Total RTD grants 114 682.817.261,57 49 ESFRI projects participate in the activities of Horizon 202091 and the support that they receive through the H2020 grants may cover some of the operational costs that they incur. But these grants are for specific activities and will not allow to fully cover the operational costs of these pan-European RI. Annex II – Stakeholders Consultation Report Available at:   [*https://ec.europa.eu/research/infrastructures/pdf/lts\_report\_062016\_final.pdf#view=fit&pagemode=none*](https://ec.europa.eu/research/infrastructures/pdf/lts_report_062016_final.pdf#view=fit&pagemode=none) Annex III – Outcomes of Stakeholders Workshop Available at:   [*https://ec.europa.eu/research/infrastructures/pdf/lts\_research\_infrastructures\_workshop\_report.pdf#view=fit&pagemode=none*](https://ec.europa.eu/research/infrastructures/pdf/lts_research_infrastructures_workshop_report.pdf#view=fit&pagemode=none) 91 As of 20 March 2017, the 14 established ERICs have been involved in nearly 300 proposals and are in the consortium of 91 Horizon 2020 grants with an EU contribution amounting to nearly EUR 50 M.

**Load-Date:** November 22, 2017

**End of Document**



[***Navin Dissanayake, Minister of Plantation Industries : Interview***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-753S-00000-00&context=1516831)

Oxford Business Group: Articles

May 2018

Copyright 2018 Oxford Business Group All Rights Reserved



**Length:** 644 words

**Body**

**Interview : Navin Dissanayake**

**In what ways can further investment in research and development (R&D) enhance the value chain of Sri Lanka's plantations?**

**NAVIN DISSANAYAKE:**Tea, rubber, coconut and palm oil face severe challenges, which result in low yields, poor productivity and high production costs. Issues include an outdated regulatory framework, deteriorating soils and rural-urban migration that causes skill shortages. In response, plantations must enhance productivity and reduce input costs. We must also offer differentiated products to consumers whose demands are changing. This is a process that involves constant experimentation, innovation and change. Solutions to these problems can be derived mainly from technological advancements, and the performance of crop value chains can be vastly improved with intensified R&D efforts. We need to strengthen the entire innovation system that serves all plantation crops. This necessitates added investments based on a long-term ***programme***.

**To what extent can non-traditional cultivation methods reduce the risk of adverse climatic conditions that affect production?**

**DISSANAYAKE**: Production of tea, rubber and coconut is sometimes badly affected by erratic climatic behaviour. Therefore, it is essential to promote climate change adaptation practices. One approach is to extend plantations into non-traditional regions. We have already done this with rubber and the results are very encouraging. Our Moneragala rubber ***programme*** has developed over 6000 ha of smallholder farms with financial assistance from the International Fund for ***Agricultural*** Development. They are assisting us to develop another 3000 ha. We will slowly move rubber to the Eastern and Northern Provinces.

A second approach is introducing novel ***agricultural*** practices to traditional plantation areas. Examples include using drought- and flood-resistant plants, water-saving irrigation systems, and planting techniques that can withstand adverse and changing weather patterns. Crop diversification is yet another method. Some techniques are being tried by our R&D institutes, but it is still too early to quantify the impact of the results. We must enhance the adaptive capacity of plantations and provide certain incentives at the outset until adaptive methods become popular and farmers become climate smart. The risk will always be there as Mother Nature is always a step ahead of us. Still, our research may find significant breakthroughs that would elevate plantation performance to a level that exceeds expectations. In addition, ***producers*** themselves may develop their own non-traditional solutions to climate problems. This suggests the need for ***producers*** and researchers to work together to develop effective solutions.

**How can foreign direct investment (FDI) help plantations overcome bottlenecks?**

**DISSANAYAKE**: Plantations require large investments for technology-driven modernisation and infrastructure upgrades. Since return periods are long, plantations find it difficult to attract sufficient local capital. One reason is the inability of plantations to prepare and market ***strategic*** ***plans*** to change the status quo, and offer differentiated products in end-user markets. Further, value addition to output is mostly done outside plantations and value added is not reflected in most plantation balance sheets.

We must encourage an investment model that facilitates inward resource transfers, human resource development, technological advancement and local value creation. Plantation lands, built assets and the workforce are national treasures, and our economy must be the priority. FDI should lead to value addition as well as retention. Ultimately, plantation workers must enjoy higher living standards irrespective of commodity prices. We also need to explore the possibility of creating opportunities for FDI in the smallholder segment.

**Load-Date:** March 12, 2020

**End of Document**



[***Anglo Asian Mining reports 2017 financial results***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SDC-B8W1-JC0X-H4J5-00000-00&context=1516831)

MarketLine NewsWire (Formerly Datamonitor)

May 24, 2018 Thursday 12:00 AM GMT

Copyright 2018 MarketLine All Rights Reserved



**Section:** METALS AND MINING

**Length:** 2273 words

**Highlight:** Anglo Asian Mining (Anglo Asian), the AIM listed gold, copper and silver ***producer*** focused in Azerbaijan, has announced its final audited results for the year ended December 31, 2017 (FY 2017).

**Body**

HighlightsAchieved FY 2017 production in the top quartile of the Company forecast - 71,461 gold equivalent ounces ("GEOs") ***produced*** compared to forecast of 64,000 to 72,000 GEOs: - Total production for FY 2017 was 71,461 GEOs (FY 2016: 72,304 GEOs) - Gold production for FY 2017 of 59,617 ounces (FY 2016: 65,394 ounces) - Copper production for FY 2017 of 1,991 tonnes (FY 2016: 1,941 tonnes) - Silver production for FY 2017 of 172,853 ounces (FY 2016: 165,131 ounces)Solid production despite significant exploration and optimisation initiatives during the year which impacted operations - foundations laid for increased production in FY 2018 with total production target of between 78,000 and 84,000 GEOsGold bullion sales in FY 2017 of 43,496 ounces (FY 2016: 53,281 ounces) completed at an average of $1,265 per ounce (FY 2016: $1,253 per ounce)All in sustaining cost of gold production further decreased in the lowest quartile to $604 per ounce (2016: $616 per ounce)Directors are ***planning*** for the payment of a maiden dividendFinancialsTotal revenues in 2017 of $71.8 million (2016: $79.2 million)Profit before taxation in 2017 of $5.7 million (2016: $6.8 million)Operating cash flow before movements in working capital of $32.2 million (2016: $33.9 million)Net debt reduced to $18.1 million at 31 December 2017 (31 December 2016: $34.6 million) calculated as aggregate of loans and borrowings less cash and cash equivalentsCash position of $2.5 million as at 31 December 2017 (31 December 2016: $1.4 million)Chairman&#39;s statement2017 has been another profitable year for Anglo Asian during which time your Company has also been transitioning into a sustainable mining business.

Our ***strategic*** review in early 2017 set down clear objectives for the year to ensure long-term production at Gedabek. These included commencing production from a new open pit at Ugur in late 2017 together with other production and optimisation initiatives. These objectives were successfully executed during the year. I am especially pleased to report the publication of the JORC resource for the Ugur deposit in August 2017 and the commencement of gold dorÃ© production from its open pit mine the following month, less than a year after the deposit&#39;s discovery.I am pleased to report that total production in 2017 was broadly in line with 2016. The reduction in mining and resulting lower production, due to the ***strategic*** review, was offset by better than anticipated production from Ugur. The Company is now benefitting from those optimisation initiatives and we have set a production target for 2018 significantly higher than 2017. The financial position of Anglo Asian has also improved materially with net debt almost halving in the year which significantly lowered interest costs. The progress achieved by the Company during the year, together with the recently started three-year ***programme*** of geological exploration, will all further advance the delivery of long-term value to shareholders and provide a sound basis for our short-term objective of paying a maiden dividend.Review of 2017 and 2018 to dateAnglo Asian ***produced*** a total of 71,461 gold equivalent ounces ("GEOs") of metal in 2017, marginally less than 72,304 GEOs ounces in 2016. Total gold production was 59,617 ounces in 2017 compared to 65,394 ounces in 2016. However, this was offset by a combination of higher production and selling prices for copper and also higher silver production. Copper production in 2017 was 1,991 tonnes, a 2.6 per cent. increase over 2016 of 1,941 tonnes and silver production in 2017 was 172,853 ounces compared to 165,131 ounces in 2016.Gold bullion production in 2017 at 52,534 ounces was lower by 8,398 ounces compared to 60,932 ounces in 2016. This was a result of lower output in the first nine months of the year following implementation of the production optimisation strategy, which was then partially offset by strong production in the last quarter, due to the commencement of mining at the Ugur deposit.Revenues in 2017 at $71.8 million were $7.4 million lower than 2016. The lower revenues in 2017 were due to an increase in gold dorÃ© inventory at the end of 2017 compared to 2016 of just over two thousand ounces and because a higher proportion of our gold was sold as concentrate which achieves a lower sales value. The average gold price in 2017 was marginally higher at $1,258 per ounce compared to $1,253 per ounce in 2016 and the Company also benefitted from higher copper prices with an average price of $6,200 per metric tonne in 2017, being 27 per cent. higher than 2016. The Company continued to be subject to an effective royalty on its revenues in 2017 of 12.75 per cent. of the value of its production under the terms of its Production Sharing Agreement.The basis of this royalty is explained in the financial review below. The Company will continue to be subject to this effective royalty of 12.75 per cent. until all its unrecovered costs for Gedabek are utilised in accordance with the Production Sharing Agreement. Unrecovered costs for Gedabek at the end of 2017 totalled $95 million (2016: $100 million) and our current business ***plans*** indicate that these costs will not be fully recovered until at least 2023 and the effective royalty of 12.75 per cent. will therefore continue until then.The Company&#39;s all in sustaining cost ("AISC") per ounce of gold ***produced*** marginally reduced to $604 in 2017 compared to $616 in 2016. This partially offset the reduction in revenue and the operating profit in 2017 was $9.2 million compared to $11.7 million in 2016.Cash from operations, despite the impact of the optimisation initiatives in the year, increased marginally to $29.8 million from $29.6 million in 2016. We continued to service our debt on time and net debt reduced from $34.6 million at the end of 2016 to $18.1 million at the end of 2017. The Company also refinanced $13.5 million of its debt in early 2018 with a two-year syndicated loan from banks primarily in Azerbaijan.This is a sign of the confidence that Azeri banks have in our business and the new loan substantially reduced our borrowing costs. It also resulted in the release of $8.4 million in 2018 by extending the repayment of debt principal into 2019. The new loan has no financial covenants and is unsecured. We were pleased to repay in full the loan from our chief executive, Reza Vaziri in March 2018 and I would like to thank Reza for his confidence and commitment to the Company which has proved to be amply justified.The start of production from the new Ugur open pit mine in September 2017 was a very significant milestone for the Company. The discovery of the deposit, which is located three kilometres north-west from our processing facilities at Gedabek, was announced in October 2016. That we were able to bring the mine into production in around one year was a tremendous success and demonstrates our ability to rapidly exploit any future opportunities which may arise. The start of production from Ugur required the construction of a 4.6 kilometre access road through very hilly terrain. The JORC (2012) resource estimation for the Ugur gold deposit released in August 2017 shows a mineral resource of 199,000 ounces of gold which is a valuable addition to our resources and further advances the sustainability of the Company.The versatility of our processing facilities also proved valuable in 2017 in helping to maintain production whilst the ***strategic*** review was implemented. Initially in 2017, we used both crushed ore as feedstock for the agitation leaching plant, with the tailings treated by flotation and the reverse configuration with crushed ore feedstock initially treated by flotation followed by leaching. Following the start of mining from Ugur, the flotation plant was temporarily placed on care and maintenance, as the Ugur oxide-rich ores do not contain copper and only require treatment by agitation leaching. To increase the overall utilisation of the Company&#39;s processing facilities, a dedicated independent crusher line for the flotation plant is being commissioned in the current quarter of 2018. This will enable the two main plants to operate independently of each other and will increase both the flexibility and capacity of our processing facilities.The Company continues to invest in infrastructure and plant to reduce costs and improve both the productivity and sustainability of its operations especially given the scarce water resources of the region. During 2017, the construction and commissioning of a water treatment plant at a cost of $3 million was completed which uses the latest reverse osmosis technology. In the last few years, Gedabek village has experienced water shortages in the summer and this plant reduces to the absolute minimum the consumption of fresh water required by the Company. The plant is now ***producing*** around 200,000 litres of purified water per day which is being used in Gedabek&#39;s processing facilities. Additionally, the tailings dam wall was raised by six metres, which gives the tailings dam sufficient capacity for the next two to three years. We also completed a second pipeline between our processing facilities and the tailings dam to increase the volume of tailings which can be discharged.The Company&#39;s main operation is located at the village of Gedabek in north-west Azerbaijan. The economy of the village and the surrounding area has benefitted enormously over the years from our operations. Gedabek village has been transformed with the construction of much new infrastructure and many new buildings including a new civic centre. New shops and restaurants are opening in the village. The Company takes its corporate and social responsibilities very seriously and in our 2017 annual report we describe some of our initiatives to help the local community. These include improving local water supplies, ***agricultural*** initiatives, sporting enterprises and education with the construction of a kindergarten. Including contractors, our operation now employs over one thousand people in the local area.The Gedabek site is now connected to the national electricity power grid, and together with good road access, this provides Gedabek with excellent infrastructure. The financial benefits of our investments in infrastructure were evident in 2017 with fuel and electricity costs $2 million lower in total than 2016 due to the connection to the power grid. The Company&#39;s health and safety record continues to improve with a reduction in the lost time injury rate in 2017. We also expanded the health, safety and environmental ("HSE") department in 2017.We undertook significant geological exploration in 2017 as described in the ***Strategic*** Report below and in March 2018 we announced a significant three-year geological exploration ***programme***. This will build upon previous geological work and includes near mine, brownfield and greenfield exploration. In 2018, it is anticipated that 12,000 metres of reverse circulation, 17,500 metres of surface core and 14,000 metres of underground core drilling will be carried out. A heli-borne electromagnetic survey is also ***planned*** covering the entire Gedabek contract area and the further potential of Gosha and Ordubad will be investigated. The expected cost of the ***programme*** in 2018 is around $6 million, which will be funded from internal resources. Gedabek has numerous known mineral occurrences and our existing mines have further development potential. We have also previously made significant finds of commercially exploitable minerals. We therefore believe this ***programme*** has the potential to significantly add value to your Company.DividendIn order to reward shareholders following the significant reduction in debt and anticipated surplus cash generation, the Company is currently preparing a ***plan*** for the payment of dividends. There are some legal and financial issues requiring consideration before payment of a maiden dividend and the board is currently working on these. The board will announce a dividend policy as soon as practical and, in any event, an announcement is expected to be made no later than the end of quarter three 2018.OutlookIt is with continued optimism that I look forward to 2018 and beyond. During the course of 2017 and early 2018 we have opened a new mine and added to the Company&#39;s resources. We have also carried out several initiatives to maintain and increase production from our existing mines and have embarked on a three-year exploration ***programme*** to further explore and develop the potential of Gedabek. This progress has enabled us to target significantly higher production for 2018 compared to the previous two years and we are on track to achieve this target. It is also building on our strong platform for sustained growth in production and development.The Group has a production target for 2018 of between 78,000 ounces and 84,000 GEOs, an increase of over 13 per cent. compared to total production of 71,461 GEOs in 2017. This includes between 64,000 ounces and 70,000 ounces of gold and between 2,100 tonnes and 2,300 tonnes of copper. I look forward to updating shareholders on our progress over the remainder of 2018.AppreciationI would like to take this opportunity to thank our Anglo Asian employees, our partners, the Government of Azerbaijan, advisers and fellow directors for their continued support as we continue to build the Company into a leading and sustainable gold, copper and silver ***producer*** in Azerbaijan and Caucasia. I would also like to especially thank our shareholders for their invaluable support as we look forward to a successful 2018.

**Load-Date:** June 7, 2018

**End of Document**



[***Nkrumahism, Agenda 2063, and the Role of Intergovernmental Institutions in Fast-tracking Continental Unity***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BH2-VXY1-JBMY-H429-00000-00&context=1516831)

Journal of Asian and African Studies

June 2018

Copyright 2018 Sage Publications, Inc. All Rights Reserved



**Section:** Pg. 629-642; Vol.53; No.4; ISSN: 0021-9096, 1745-2538

**Length:** 7348 words

**Byline:** Babatunde Fagbayibo

**Body**

**ABSTRACT**

The doctrinal relationship between Nkrumahism and the African Union Agenda 2063 informs the basis of this article. If continental supranationalism remains the end product of both processes, the question then is to what extent are intergovernmental institutions positioned to achieve this? In addressing this point, the article discusses the roles the two key intergovernmental institutions, the African Union Commission and the Pan-African Parliament, can both play in deepening the integration agenda, and more specifically, the implementation ***plan*** of Agenda 2063. The article argues that the existent configuration of both institutions prevents any meaningful advancement towards a deepened integrative agenda. It then proffers ways of counteracting this.

**FULL TEXT**

‘Unity will not make us rich, but it can make it difficult for Africa and the African peoples to be disregarded and humiliated’ (Nyerere, 1997)

**Background**

The dynamics of integrative drive in Africa has always existed within certain traditional modes of engagement. These modes of engagement, although moderated by the politico-economic contexts of the continent, highlight the roles of national elites and transnational actors in shaping the direction of regional integration. These activities often result in the design of policy guidelines and/or normative frameworks on regionalism in Africa. Notable frameworks such as the Lagos ***Plan*** of Action (1980), the African Economic Community Treaty (1991), the Constitutive Act of the African Union (2000), the New Partnership for Africa’s Development (NEPAD) (2001), and the African Union Agenda 2063 (2015) are archetypal examples. In the main, these documents provide ***strategic*** balancing between two main ideological paradigms: state-centric (or sovereignty-reinforcing); and supranational (or federalist) regionalism. To put it more directly, what this ‘***strategic*** balancing’ has been able to achieve is the triumph of an incremental, step-by-step approach to realizing goals and objectives of regionalism in Africa.

The supranationalist paradigm owes much of its intellectual and policy thoughts to Kwame Nkrumah. Nkrumah had advocated the need for a federalist integrative model through the conceptual framework of *Nkrumahism*. As an omnibus of Nkrumah’s political thoughts, *Nkrumahism* has at its core the politico-economic liberation of Africa (Botwe-Asamoah, 2005: 10; Jinadu, 2008: 26; Williams, 1984: 121). Nkrumah (1963: 163–164; Nkrumah 1965: 253; Nkrumah 1973: 277–297) explicitly denoted the centrality of the unification of Africa as an indispensable precondition for politico-economic liberation of Africa. As such, Nkrumah was able to position himself as the most prominent symbol of the supranationalist/federalist vision of regionalism in Africa.

While Nkrumah’s vision and version of a federalist African state has failed to materialize, transnational policies and structures continue to push for the implementation of some of the ***programs*** he advocated for (Franke, 2010: 3; Jinadu, 2008: 33). His insistence on continental rather than sub-regional federalism has found expression, albeit in a less radical fashion, in the move towards harmonizing the structures of regional economic communities (RECs) under the structures of the African Union (AU) (AU Constitutive Act, 2001: art. 3(l)). Although some of these initiatives are still at an embryonic, or even stunted, phase, they provide some form of validation for the imperative of a supranationalist conception of African integration (Fagbayibo, 2013).

The AU Agenda 2063, which was adopted by the AU Assembly in 2015, is the latest document that attempts to provide a supranational path for African integration. The Agenda is a culmination of a series of consultation with stakeholders across the continent. This participatory drive included stakeholders such as the private sector, civil society, Africans in the Diaspora, national technocrats, and RECs (African Union Commission [AUC] 2013: 11). The resultant, final document provided a general outline of seven aspirational goals that are necessary for the attainment of an integrated Africa (AUC, 2015a).1 The implementation matrix of Agenda 2063, which is expected to be achieved over the next 50 years, is segmented into three phases: short-term (first 10 years); medium-term (10–25 years); and long-term (25–50 years) (AUC, 2013: 5). The first 10 years, to be achieved from 2014 to 2023, will deal with the immediate implementation of ***programs*** such as the Continental Free Trade Area, African Passport, Integrated High Speed Train Network, Unification of African Air Space, implementation of the Grand Inga Dam Project, and the Pan-African E-Network (AUC, 2015b: 38).

The doctrinal relationship between *Nkrumahism* and the AU Agenda 2063 informs the basis of this article. If continental supranationalism remains the end product of both processes, the question then is to what extent are intergovernmental institutions positioned to achieve this? In addressing this point, the article will discuss the roles the two key intergovernmental institutions, the AUC and the Pan-African Parliament (PAP), can play in enhancing the implementation of Agenda 2063. These two institutions are identified as the key organs expected to ‘coordinate implementation, monitoring and evaluation [of Agenda 2063] at the continental level’ (AUC, 2015a: 19).2 For example, the AUC is expected to manage the process of mobilizing technical and financial support from member states and ***strategic*** partners (AUC, 2013: 13). This essentially puts it in the driving seat of the implementation matrix. Similarly, the PAP is expected to provide legislative guidelines to sub-regional and national parliaments and civil society on the adoption of Agenda 2063 as a blueprint for development (AUC, 2015b: 90). It suffices to say that the success of this agenda is predicated on the extent to which these institutions are capacitated with binding powers to ensure proper implementation.

The article argues that the existent configuration of both institutions prevents any meaningful advancement towards a deepened integrative agenda. Simply put, without the restructuring of their relational dynamics, both institutions will at best be sprinting blindfold towards the finish line of African unity. Such restructuring will have to draw three key lessons from the concept of *Nkrumahism*: urgency (immediacy of actions); agency (centeredness of African thoughts and actions in the initiation and implementation); and clarity (unambiguous conferment of powers on supranational institutions). The article begins with a comparative perspective of *Nkrumahism* and Agenda 2063. It then moves to appraise the present configuration of the AUC and PAP. Lastly, practical suggestions on the reconceptualization of the roles of both organs are offered.

**Comparing *Nkrumahism* and Agenda 2063**

The comparative engagement of the idea of *Nkrumahism* and Agenda 2063 principally stems from the extent to which both are grounded in the ideological framework of pan-Africanism. The proclivity of both streams of action towards the conception of pan-Africanism as ‘an integrative force’ (Asante 1997: 32) provide a useful lens for understanding the convergent prescription of supranational agencies as the *sine qua non* of continental unity; as such, this section will adopt two broad standards of comparison: theoretical foundation; and institutional process.

**Theoretical foundation**

The inclination of both *Nkrumahism* and Agenda 2063 towards the idea of pan-Africanism provides the primary basis for any comparative engagement. As noted in the foregoing, *Nkrumahism* is an aggregation of the ideas that Nkrumah had prescribed for addressing Africa’s overall developmental challenges. These ideas did not emerge in isolation as they drew heavily from the pan-Africanist thoughts of Diaspora intellectuals such as Marcus Garvey, W.E.B. Du Bois, and Edward Blyden, and also from the Pan-African Congresses held between 1900 and 1945 (Jinadu, 2008: 24). Nkrumah was, however, able to refine these ideas and situate them within the existent realities of an Africa that was locked in the firm grip of colonialism and imperialism (Williams 1984: 121).

In many of his political and economic writings, the main question was about finding the proper methodology of ensuring that Africa provides a common approach to addressing its marginal position in global political economy. Nkrumah had adopted two interrelated, continuous strands of thought in providing an answer to this issue. The first is the idea of African personality. Nkrumah (1970: 79) described African personality as an idea that is ‘defined by the cluster of humanist principles which underlie the traditional African society.’ It essentially sums up African peoples’ conception of moral and ethical approach to existence. He argued that Africa’s traditional way of life endowed Africans with dignity, integrity and value (Nkrumah, 1970: 68). These principles ensured societal equality and the supremacy of the community over the individual (Nkrumah, 1970: 69). Nkrumah (1970: 69) posited that colonialism disrupted the efficacy of these principles through the imposition of European ideals on African societies. He then noted that the restoration of racial consciousness and dignity inherent in African personality can only be achieved through the establishment of a Union of African states (Nkrumah, 1963: 193).

This assertion provided the intellectual basis of the second strand of thought: politico-economic unification of the continent. He opined that the removal of colonial boundaries and adoption of common positions will not only restore ‘human brotherhood’ but also enhance Africa’s impact on global affairs (Nkrumah, 1963: 193). For this to happen, he proposed that such political union should be granted full powers to oversee the following objectives: centralized economic ***planning***; unified military and defense strategy; and unified foreign policy (Nkrumah, 1963: 218–220; 1965: 15–36). In pursuit of this vision, Nkrumah (1963: 221, 85) ensured that the Ghanaian constitution stipulated the partial or wholesale surrendering of sovereignty as a contribution towards the attainment of continental unification. In a similar vein, Guinea, Mali, Tunisia and Egypt also provided for limitation of sovereignty in their constitutions (Legum, 1962: 66). Understanding that not all African states may be willing to enter into the federalist model of integration, Nkrumah (1963: 220–221) recommended the establishment of a nucleus union of willing member states, with others joining later. In giving practical effect to this idea, Nkrumah, in 1960, led the move to establish the short-lived Ghana–Guinea–Mali Union, which was named the ‘Union of African States’ (Nkrumah, 1963: 141–142).

In its preamble, Agenda 2063 makes explicit reference to its pan-Africanism root by drawing a linear line from the formation of the Organization of African Unity in 1963 to current developmental efforts (AUC, 2015a: 1). It further acknowledges the extent to which the document drew from previous continental developmental ***plans*** (AUC, 2015a: 1). Under Aspiration 2 of the Agenda 2063, reference is made to the imperative of ‘an integrated, united, peaceful, sovereign, independent, confident and self-reliant continent’ (AUC, 2015a: 4). The steps towards achieving such an integrated Africa would then include the establishment of a continental government by 2030; ensuring free movement of people, capital, goods and services; building world-class infrastructure; and boosting intra-African trade from the current 12% to 50% by 2045 (AUC, 2015a: 5). Aspiration 5 of the Agenda 2063 builds on the *Nkrumahism* conception of African personality by advocating the prioritization African heritage, values and ethics (AUC, 2015a: 7).3

While Nkrumah (1965: 11) proposed a ‘framework of comprehensive socialist ***planning*** and deployment’ as the governing principle of a continental government, Agenda 2063 is designed to operate within a neo-liberal framework. Nkrumah (1970: 68–69) argued that traditional African society was inherently socialist, devoid of the prioritization of any group or individual over the rest. He noted that the balkanization of Africa only served the interest of capitalism, thereby ensuring that no independent African state was strong enough to combat neo-colonialism (Nkrumah, 1965: 1–14, 25; Rooney, 2007: 254). In order to reverse this, Nkrumah proposed a kind of socialism (‘scientific socialism’) which responds to the specificities and contexts of the African continent (Nkrumah, 1963: 165–166, 170; Nkrumah, 1965: 11, 25). Such scientific socialism would then be designed to ensure the common ownership of the means of production, distribution of resources according to the needs of African people, and the centralization of the ***planning*** of ***agriculture*** and industrial development policies in Africa (Nkrumah, 1963: 170; Rooney, 2007: 254). In reference to the envisaged African Common Market, Nkrumah (1963: 163) had recommended the pooling together of cash crops ***produced*** on the continent in order to determine a common selling policy.

The neo-liberal inclination of Agenda 2063 is best understood within the context of the post-Cold War shift from old regionalism to new regionalism (Hettne and Soderbaum, 2000). The idea of new regionalism emerged from the processes aimed at transforming the global politico-economic structure to reflect Fukuyama’s (1992) ‘end of history’ aphorism. Fukuyama (1992) had posited that the fall of the Soviet bloc and its communist ideology represented the triumph of neo-liberalism and its attendant objective of market fundamentalism. The overriding assumption was that the ascendance of the idea of market fundamentalism invariably implies that the survival of developing economies is dependent on their integration into a neo-liberal global economic system (Hettne and Soderbaum, 2000). In this context, the effectiveness of regionalism is hinged to the extent to which regional organizations are endowed with expanded functions, including the participation of civil society in transnational processes (Hettne and Soderbaum, 2000: 457; Taylor, 2004: 314–316). Underlining the expansion of the roles of regional organizations are the prescriptive logics of neo-liberalism: ease of flow of transnational capital and the expansion of regional markets (Taylor, 2004: 315).

These objectives underpinned the transformation of many of the sub-regional organizations in the 1990s, and the adoption of the NEPAD document in 2001 (Taylor, 2004). While acknowledging the effects, both positive and negative, of globalization, the NEPAD document pushed for mechanisms to ensure that the African continent is well placed to reap the positive benefits of the process (NEPAD, 2001: 6–9). NEPAD (2001: 8–9) highlighted the need for ‘commitment on the part of governments, the private sector and other institutions of civil society, to the genuine integration of all nations into the global economy and body politic’. It thus pushed for neo-liberal macro-economic policies at both national and regional levels so as to ensure the quickening of Africa’s integration into the global economic system (Adesina, 2004; Taylor, 2004).

The NEPAD remains the frontline framework for the AU socio-economic agenda, with the NEPAD ***Planning*** and Coordination Agency (NPCA) designated as the leading technical unit for implementing Agenda 2063 (AUC, 2015b: 90). As pointedly put in the Agenda 2063 Background Note, ‘indeed, Agenda 2063 is a logical and natural continuation of NEPAD and other initiatives’ (AUC, 2013: 5). The policy implication of this assertion is the imperative of framing national and regional processes to respond to macro-economic policies that pin economic growth to ‘flows of foreign direct investment’ (AUC, 2013: 6).

**Institutional process**

Both *Nkrumahism* and Agenda 2063 propose supranationalism as the panacea for Africa’s continued marginalization and underdevelopment. In this regard, they both provide mechanisms for endowing transnational institutions with assertive powers to make binding rules and regulations (AUC, 2015a; Nkrumah, 1963, 1970). While Nkrumah advanced the immediate, top-down establishment of transnational federal structures, Agenda 2063 proffers a democratic bottom up and consensus-driven approach to endowing transnational organs with supranational powers. In essence, Agenda 2063 highlights an incremental approach to achieving unity.

In terms of the structure of a continental government, Nkrumah (1973: 295–296) proposed that the Union should consist of an Assembly of Heads of State and Government (with an appointed Union President), the Executive (Council of Ministers) with a Prime Minister and a bicameral legislature. Under the bicameral legislative arrangement, Nkrumah (1963: 221) advanced that the representation in the Senate should be based on the population of each state while member states should send the same number of representatives to the House of Representatives. Furthermore, he noted that in addition to a Union President, the Assembly should elect a number of Union Vice-Presidents (Nkrumah, 1973: 309). Sub-regionalism, or more specifically sub-regional federalism, was seen by Nkrumah as a needless distraction from continental unity. He snidely labelled it as ‘a form of balkanization on a grand scale’ (Nkrumah, 1963: 214–215). Instead, he suggested that national ***planning*** bodies should be responsible for supplying continental structures with relevant local information and also empowered to ensure the practical implementation of continental objectives (Nkrumah, 1963: 171; Nkrumah, 1965: 27).

Although the aim of Agenda 2063 is to eventually have a supranational structure, it has deferred the decision on the nature and content of such structure till 2030 (AUC, 2015a: 19). However, the foundational, first 10 year ***plan*** of Agenda 2063 provides continental, regional and national structures with coordination and implementation powers (AUC, 2015b: 89). At the continental level, the following structures are expected to oversee policy articulation and implementation issues: AU Assembly; Executive Council; Ministerial Committee (which includes AUC, RECs, African Development Bank (AfDB), United Nations Economic Commission for Africa (UNECA), and relevant AU organs); AUC/Technical Unit (NPCA, PAP, Economic, Social and Cultural Council (ECOSOCC), UNECA, AfDB, Specialized Technical Committees, and civil society) (AUC, 2015b: 89–91). The RECs are the designated coordination and implementation structures at the sub-regional level (AUC, 2015b: 91). However, beyond the broad and general descriptions of these institutions, very little attempt is made at providing specifics in terms of the nature of the institutional interactions, devolution of powers to regional organs, and implementation strategies of Agenda 2063 goals (DeGhetto et al., 2016: 98).

Agenda 2063 differs from *Nkrumahism* on the point of its consideration of sub-regional structures as the essential building blocks of continental unity. The goal is to eventually harmonize the standards and policies of RECs under the AU umbrella (AU Constitutive Act, 2000: art. 3(l); Protocol on Relations between the AU and RECs, 2007). At the national level, member states are enjoined to involve civil society in the policy formulation, preparation, execution and evaluation of Agenda 2063 (AUC, 2015b: 92). This is similar to the subsidiarity role Nkrumah had envisaged for national structures.

As shown in the foregoing, both *Nkrumahism* and Agenda 2063 share similar ideas, particularly the adherence to the ideology of pan-Africanism. However, there exist differences in their modes of engagement. Nkrumah’s subscription to socialism should be understood within the context of the politics of independence and decolonization of the 1960s and the 1970s, while Agenda 2063 largely responds to the prescriptions of a neo-liberal global politico-economic system. Another difference is that while Nkrumah prioritizes immediacy, Agenda 2063 adopts the politics of incrementalism towards achieving continental unity.

In spite of these differences, the question is the extent to which Agenda 2063 can draw from the intellectual and policy thoughts of *Nkrumahism*. In essence, Nkrumah’s approach to continental integration can be classified under three broad points. First is urgency, mainly captured by his insistence on the immediacy of actions. As he famously said in an address to the Conference of African Heads of State and Government in 1963, ‘our objective is African Union now. There is no time to waste. We must unite now or perish’ (Nkrumah, 1973: 233–234). This sense of urgency was further displayed through the proactive action of establishing the Ghana-Guinea-Mali Union as a nucleus of the envisaged ‘United States of Africa.’ The second point is agency, especially as it relates to the centeredness of African thoughts and actions in the initiation and implementation of policies. Through the concept of ‘African personality,’ Nkrumah was able to advance ways and means through which Africans should be involved in the ***planning*** and development of integration strategies. He provided a detailed analysis of how to finance developmental and integrative efforts with Africa’s abundant natural resources (Nkrumah, 1963: 150–172). Nkrumah’s suggestion has found expression in some of the recommendations that have been put forward on how African countries can exclusively finance the AU (Fassi and Aggad, 2014: 6–8).4 The last point deals with clarity, particularly as it relates to the unambiguous conferment of powers on supranational institutions. Nkrumah’s proposal of a continental structure was accompanied by specific structural organization, including the designation and roles of relevant authorities. As will be shown in the subsequent sections, the implementation of Agenda 2063 will have to be anchored to these three important points.

**Appraising the powers of AUC and PAP**

In appraising the institutional element of implementing Agenda 2063, a natural starting point is the consideration of the existent operational contexts of the two institutions, AUC and PAP, under consideration. This exercise is fundamental as it provides better clarity on the dynamic linkages between stated, ambitious objectives and the feasibility of implementation. At the heart of such nexus is the nature and scope of the relational dynamics between and among the structures of the AU. This point will be examined within the discursive context of the theory of institutional design. As Pettit (2006: 55) observed, this theory is not necessarily restricted to establishing institutions from the scratch but more importantly, altering and reshaping existing arrangements. This is essentially in line with what this article seeks to achieve.

Goodin (1996: 31) noted that institution design theory is essentially built on three levels of engagement: design of policies; mechanisms; and whole systems. The first, policy design, relates to the extent to which institutions are able to provide innovative strategies for solving problems, and more importantly, the centrality of values and contexts to these policy choices (Goodin, 1996: 31–32). Goodin (1996: 32) pinpointed the ‘implementability of policy choices’ as the core of policy design. The implementation question includes issues such as the availability of incentives and resources for ensuring compliance with directives and regulations (Goodin, 1996: 32). The second element, mechanism design, relates to the efficiency of resource allocation mechanisms (Goodin, 1996: 321–32; Myerson, 2008). The logic is that the legitimacy of an institution is dependent on how it is able to use the communications received from individuals to design and implement requisite solutions (Myerson, 2008: 587–588). This is referred to as the ‘communication and coordination role’ (Myerson, 2008: 587). Such correlation thus enhances loyalty from individuals or stakeholders’ dependent on such an institution (Myerson, 2008: 588). The last element, system design, is concerned with how designed object (policy, mechanism and system) fit into the larger context in which it is set (Goodin, 2006: 33–34). It is a comprehensive way of looking at how the ‘pieces fit together’ to achieve stated goals and objectives (Goodin, 2006: 34).

Cumulatively applied to the African context, the overriding question is the extent to which transnational institutional processes shape the design and implementation of policies. In other words, what are the variables that ensure that the AUC and PAP not only articulate but oversee the implementation of policies? This includes specifics such as the powers to initiate, manage and determine the implementation modes of policy measures. It can be argued that a key strength of the AUC since its inception is the ability to author documents that speak to the reinforcement of institutional capacity. This is in line with its designation as the ‘engine room’ of the AU, which is further underlined by normative stipulations (AU Constitutive Act, 2000: art. 20(3); Statutes of the Commission of the AU, 2002: art. 3(2)). In terms of these stipulations, the AUC has the powers to initiate policies (for the consideration of the AU Assembly and Executive Council) and also monitor the implementation of policies (Statutes of the Commission of the AU: art. 3(2)). The implementation powers of the AUC are, however, dependent on the mandates of the AU Assembly, Executive Council and the express call for assistance from member states (Statutes of the Commission of the AU, 2002: art. 3(2)).

While the AUC has had little or no problem with the initiation of policies, a key problem remains the issue of what Goodin (1996: 32) referred to as ‘implementability of choices’. This deficiency principally stems from the normative stipulation that ties the activation of such power to the mandates of strictly intergovernmental institutions (Fagbayibo 2013; Vanheukelom, 2016: 8). Both the AU Assembly and Executive Council are made up of Heads of states and government, and designated national ministers respectively. These structures are driven by rigid state-centric ideologies, and as such have not demonstrated the political will to devolve powers to the AUC. While there exists the normative provision to delegate functions (AU Constitutive Act, 2000: art 9(2)), little attempt has been made over the years to prioritize this.

The availability of incentive to ensure compliance with the policies of the AU, especially policies that emanate from the AUC, remains very problematic (AU Audit Report, 2007; Vanheukelom, 2016). There are a number of external and internal structural constraints that undercut any meaningful prospect of compliance with the decisions of the AUC. The external constraints relate to the relations between the AUC and other organs of the AU while the internal constraints speak to the dysfunctionality of the internal administration of the AUC.

On the external constraints, as already highlighted, there is no delegation of any meaningful power to the AUC to follow through with the implementation of its policies. This strict intergovernmentalist approach is further underlined by a number of issues. One is that member states primarily decide on the nature of the implementation of sanctions for non-compliance eliminates the transparency and the eventual efficacy of such process. The second is a lack of rigorous feasibility test on the compatibility of ambitious policy goals with the institutional, financial and organizational abilities of national structures to comply (Vanheukelom, 2016: 12). As Vanheukelom (2016: 12) observed, this situation has resulted in the slow and low degree of ratification of important AU instruments. Third is the lack of clarity on the role of different actors within the implementation matrix, a factor that often leads to mistrust and strained relationships between the AU organs (Vanheukelom, 2016: 13). An example is the conflict between the AU Permanent Representatives Committee (PRC) and the AUC. The PRC, a body composed of nominated ambassadors of AU member states, is reported to often overstep its advisory role to the Executive Council by interfering in the management of the AUC (Vanheukelom, 2016: 13). Another related example is the lack of clarity on the delineation of functions and roles between the AUC and the RECs. The absence of a binding Protocol that explicitly spells out the modus of engagement between the AU and RECs has ensured the lack of proper harmonization of structures, functions and strategies in areas such as peace and security, trade and governance (Vanheukelom, 2016: 14–15). Four is the limited financial capacity of the AUC. The AU functions each year with only 50–60% of its required budget (Ncube and Akena, 2012). Membership contribution is often not forthcoming, with the organization having to rely extensively on donor funding. External funding essentially covers the ***programs*** and projects of the AU (Vanheukelom, 2016: 13). Limited finance further undercuts the ability of the organization to provide incentive for compliance especially in the form of technical and financial assistance to member states that are unable to comply with AU policies.

A key internal constraint is the AUC’s defective institutional capacity. The 2007 AU Audit Report paints a worrying picture of its internal administration. According to the Report, the vaguely articulated delineation of powers and functions within the organization has resulted in lack of supervision, failure to delegate functions to Directors and mid-level staff, non-existent internal communication, low morale among staff and consequently, a dysfunctional system (AU Audit Report, 2007: 47–48). In addition, the inefficient recruitment process (based on the application of a quota system and inadequate publicity of vacancies) restricts the employment of competent persons and leads to understaffing issues in some of the departments of the Commission (AU Audit Report, 2007: 50–51).

Established in 2004, the PAP is the continental legislative body that is expected to ensure the participation of Africans in the regional integration process. It is composed of five parliamentarians from member states, nominated from national parliaments. Membership currently stands at 250, representing the 50 member states that have ratified the PAP Protocol. The PAP meets at least twice in a year, and can meet in extra-ordinary session. Although it only exercises consultative and advisory powers, it is endowed with the competence of discussing issues such as harmonization of the laws of member states and the RECs, discussion on the budget of the AU, requesting the presence of AU officials, and the promotion of the ***programs*** and objectives of the AU (PAP Protocol, 2001: art. 11). In this regard, it can develop legislative guidelines and policies but the implementation of such policies is curtailed by its designation as a consultative/advisory body. The implication of this is that structures such as the AU Assembly, RECs and national governments have the prerogative to either comply or reject the recommendations of the PAP with no consequences.

Although the PAP Protocol (2001: art. 2(3)) indicated the review of the consultative status of the legislative body by 2009, no serious consideration has been given to endowing the PAP with supranational legislative powers. The most recent effort aimed at strengthening PAP, which culminated in the adoption of an amended PAP Protocol in 2014, has made no significant changes to the existent status of the body. The new Protocol only grants the PAP the right to ‘propose draft model laws’ which still has to be considered and approved by the AU Assembly (PAP Protocol, 2014: art 8(1)). A draft model law is merely recommendatory and has no effect of ensuring compliance.

This position stated above is in contradistinction with the position in the East African Community (EAC). The legislative organ of the EAC, East African Legislative Assembly (EALA), has been described as ‘the only regional parliament in Africa with a legislative mandate’ (Gastorn, 2015: 33). While the EALA shares its legislative competence with the EAC Council of Ministers, it has the powers to initiate legislation, so far as it falls within the competence of the Community, through its committees or private members’ bills (EAC, 1999: art 59; Garston, 2015: 33). Similar to the situation in the AU, the EAC Summit (consisting of Heads of State and Government) has the final say on whether or not the Bill becomes law (EAC, 1999: art 63). However, a very important aspect of this is that the Summit is required to give reasons for the rejection of such Bill, giving the EALA the opportunity to correct any defect and then re-submit for consideration (EAC, 1999: art 63(2)).

The overarching problems of the AU such as limited finance and lack of clarity of roles and functions also apply to the PAP. As Navarro (2010: 209) pointed out, PAP has had to rely on funds from external sources such the World Bank, AfDB, United Nations Development ***Programme***, the European Union, and the International Monetary Fund for some of its ***programs***. With regard to issues of clarity, for example, the PAP Protocol (2014: arts 8(2)(i) and 19) states that PAP will liaise with national parliaments and parliaments of RECs without providing any details, either in the Protocol or other AU documents, on how this is expected to happen. This position is further complicated by the non-existent framework on relations between continental and sub-regional structures. This will particularly have negative ramifications for the ability of PAP to provide any meaningful legislative guideline to national and regional parliaments on the implementation of Agenda 2063.

In summation, the assessment of the AUC and PAP within the context of the theory of institutional design reveals the following issues. On ‘policy design,’ while both the AUC and PAP are endowed with the powers to initiate policies, the authority to determine and oversee the implementation of such powers is curtailed. With regards to ‘mechanism design,’ the effectiveness of the ‘communication and coordination’ roles of the AUC and PAP is largely circumscribed by the absence of the legitimacy to realistically guarantee effective implementation. For example, civil society understands that the PAP has no powers to make binding legislation, and even if it makes any policies, the AU Assembly still has to make the final decision on whether or not to implement. The same applies to the AUC. There is also the issue of a general lack of awareness of the relevance of the AU. According to a recent Afrobarometer survey, only three out of 10 respondents noted that they know enough about the AU to be able to make any comment on its relevance to their countries (Olapade et al., 2016: 14). The lack of delegation of assertive powers to AU organs, poorly defined relationships between and among AU organs, lack of incentives for ensuring cooperative behavior, and the usual disregard of AU rules all point to a dysfunctional ‘system design’ (Vanheukelom, 2016: 8).

**Towards the implementation of Agenda 2063: Elements of restructuring the praxis of relational dynamics**

The present praxis of the relational dynamics of the AU is defined by a number of variables. One is the dominance of the AU Assembly as the source of implementation powers and its inability to delegate such powers. Two is the lack of specifics in terms of powers to be exercised by intergovernmental structures and more specifically, the extent to which these structures are expected to cooperate in achieving continental unity. Three is the human, material and normative deficiencies to pursue integrative agenda. What this implies is that intergovernmental institutions like the AUC and PAP lack not only the technical and financial resources to deepen regional integration; they also lack the politico-legal powers to determine the course of implementation of directives and regulations. In redressing these deficiencies, it is important to draw some lessons from the *Nkrumahism* ideology, particularly to the extent to which such principles respond to Africa’s current realities.

**Urgency**

One imperative element of achieving urgency is the design of policies that rely on the willingness and ability of member states that are interested in deepening integrative effort (Fagbayibo, 2016). This will require the consideration of ‘double track’ implementation strategies for Agenda 2063 objectives. In this respect, the peripheral track will include member states that wish to maintain the *status quo* while the nucleus track will be made up of member states that have the intention of deepening regional integration.

For the AUC, this point should be built on existing normative prescriptions. These include provisions that require the AUC to assist member states in the implementation of integration ***programs*** (Statutes of the Commission of the AU, 2002: art. 3(2)) and the possibility of RECs coming together to coordinate the implementation of ***programs*** (Protocol on Relations between the AU and RECs, 2007: art 15(1)). Put together, these two provisions open a window of opportunity for the AUC, and also PAP, to enter into ***strategic*** arrangements with member states and/or RECs that have shown the willingness to implement key goals of Agenda 2063. On issues relating to the harmonization of education, mobility, trade, and democratic governance standards, the AU should encourage willing member states and/or RECs to set up arrangements, to be superintended by the AUC, on implementation (Fagbayibo, 2016: 165–167). The role of the AUC in this regard should be to facilitate and manage the process of implementation. In this sense, it should not only provide guidance but also be able to intervene at any stage if design and implementation frameworks deviate from institutional objectives.

In the case of PAP, member states or regional parliaments should be allowed to establish arrangements that allow it to provide more than ‘draft model laws.’ The first step in this respect is the identification of member states that are interested in granting more powers to PAP, and may also be willing to allow for direct election of their representatives to PAP. This should then be followed by a partnership framework between PAP and such member states on modalities of endowing the former with the powers to initiate bills (where it has the competence) and also share legislative powers with national parliaments. For example, matters that have direct implication on regional integration could be sent directly to PAP for it to either develop a Bill or provide guidance to national parliaments. Such relationship will ease the incorporation of continental goals into national agendas and also enhance the influence of PAP at the national level.

**Agency**

At the core of how AUC and PAP can frame the issue of agency is the question of legitimacy. In this respect, the main point is the extent to which Africans see both institutions as reliable conduits for shaping and implementing integration ***programs***. As such, the question of legitimacy goes beyond the ability of both institutions to effectively communicate Agenda 2063 ***programs***. More fundamentally, it points to the effectiveness of both institutions in broadly engaging civil society in the articulation and implementation of expected vision and goals. On matters ranging from resource mobilization, entrenchment of African heritage and cultural values, human security, and democratic governance, there has to be a concerted effort to not merely collate ‘views and opinions’, but strategically feed such views into final policy documents.

For instance, on the issue of resource mobilization, both AUC and PAP will have to build robust relationships with African businesses, community-based organizations, financial institutions, and national tax agencies in order to develop realistic models on revenue collection and management. The aim of such interaction should be the identification of potential obstacles, nuanced ways of mitigating negative implications, in-built reward mechanisms for encouraging contributions,5 and transparent process of managing collected revenues. In respect of heritage and cultural values, both AUC and PAP should play a more central role in the coordination of ***programs*** and projects aimed at reaching some form of consensus on how traditional African values can underline social, political and economic ***programs*** of the AU (Fagbayibo, 2014: 320).

**Clarity**

In placing the idea of clarity within the context of implementing the goals of Agenda 2063, it is essential to take into account the overwhelming bent towards state-centric regionalism. What this means is that the best option, at least at the foundation phase, is to explore shared competencies. In this regard, powers will have to be strategically shared between member states (through the Assembly and Executive Council) and the PAP and AUC. In the context of the AU, the emphasis is on how to ensure that control mechanisms (or veto powers) of member states are only exercised in the face of objectively defective exercise of assertive powers by the AUC and PAP.

In the case of PAP, the AU Assembly could adopt the position in the EAC by exercising the power to assent Bills from PAP, but should then give reasons for any rejection. As already highlighted in the foregoing, the PAP could also share legislative powers with national parliaments and sub-regional parliaments such as EALA in clearly defined areas. National or sub-regional parliaments, depending on the nature of the agreement reached with PAP, could in the case specify that PAP’s ***intervention*** should be to facilitate compliance with transnational norms. In this situation, the relevant national or sub-regional parliament will still reserve the right to pass the Bill.

In addition to the powers to initiate policies, the AUC should also be granted the powers to introduce Bills on strategies for implementing Agenda 2063 in PAP. This should also include PAP’s oversight role to assess the feasibility of strategies designed by the AUC, the institutional capacity of the AUC to manage the process of implementation, and the nature of the relations between the AUC and member states in respect of implementation methods. The AU Assembly should also delegate certain implementation functions to the AUC. This includes the recognition of the right of the AUC to enter into ***strategic*** partnership arrangements with member states on implementation of Agenda 2063 goals, and the power of the AUC to recommend relevant sanctions or corrective measures for non-compliance to an inter-institutional implementation committee to be set up by the Assembly.

**Conclusion**

An ambitious ***plan*** like Agenda 2063 is one that unequivocally requires the transfer of supranational powers to regional institutions for effective monitoring and evaluation of implementation. This article considered the AUC and PAP as two key institutions through which Agenda 2063 can be effectively implemented. It was argued that the existent operational contexts of both institutions can only frustrate the achievement of Agenda 2063 goals. Both institutions have marginal influence in the broader state-centric configuration of the AU. In redressing this problem, the article advanced the consideration of lessons from Nkrumah’s approach to continental unity. One is the imperative of immediacy of action through ‘double track’ implementation arrangements which matches speed of integrative drive with the willingness and ability of member states. Two is the importance of African ownership of the integration agenda through the active involvement of civil society. Three is the ***strategic*** exercise of shared powers between transnational agencies and member states, with emphasis on how clearly specified these powers are.

**Notes**

FundingThe author(s) received no financial support for the research, authorship, and/or publication of this article.; 1.The seven aspirational goals include: (1) a prosperous Africa based on inclusive growth and sustainable development; (2) an integrated continent, politically united, based on the ideals of Pan-Africanism and the vision of Africa’s renaissance; (3) an Africa of good governance, democracy, respect for human rights, justice, and the rule of law; (4) a peaceful and secure Africa; (5) an Africa with strong cultural identity, common heritage, values and ethics; (6) an Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, caring for children; (7) Africa as a strong, united, and influential global player and partner (AUC 2015a).; 2.Other stakeholders include the United Nations Economic Commission for Africa, African Development Bank, New Partnership for Africa’s Development ***Planning*** and Coordination Agency, regional economic communities, and the African Union Permanent Representatives Committee (AUC, 2013: 13–14).; 3.Diop (1987: 9–14, 88) highlighted ‘linguistic unification’ as one of the steps to African unity. He remarked that efforts should be geared towards the development of a single African cultural and governmental language as a medium of instruction in schools and government agencies. As he noted, ‘the selection of a single language for the continent – one which any foreigner … would have to learn to communicate with any African on our Black Continent – would thus obviously lead to a simplification of our intercourse with the outside world …’ (Diop, 1987: 14).; 4.At the 27th Summit of the African Union (AU) in Kigali, Rwanda, African leaders adopted a decision to finance the AU through 0.2% import levy on all ‘eligible imports’ into the continent. This is to take effect from 2017. Since the AU does not have an existing financial institution, the amount collected is expected to be paid into a special AU account within the Central Bank of each member state, and will then be transmitted to the AU in due course (AU, 2016).; 5.With regards to the strategies for financing the African Union, Fassi and Aggad (2014: 8) correctly highlighted the need to pay more attention to incentivizing actors to provide finance. In this respect, both governmental and non-governmental actors have to see tangible benefits in return for financing regional initiatives (Fassi and Aggad, 2014, 8).

**Bibliography**

**REFERENCES**

Adesina J, (2004) NEPAD and the challenges of Africa’s development: Towards the political economy of a discourse. Society in Transition 35(1): 125–144.

African Union (2007) Audit of the African Union: Report of the high level panel. Available at: [*http://osf.org.za/wp-content/uploads/2015/08/Audit-of-the-African-Union-Report-of-the-High-Level-Panel.pdf*](http://osf.org.za/wp-content/uploads/2015/08/Audit-of-the-African-Union-Report-of-the-High-Level-Panel.pdf) (accessed 15 November 2016).

African Union (2000) Constitutive Act of the African Union. Available at: [*https://www.au.int/web/sites/default/files/pages/32020-file-au\_constitutive\_act\_ar.pdf*](https://www.au.int/web/sites/default/files/pages/32020-file-au_constitutive_act_ar.pdf) (accessed 09 May 2017).

African Union (2014) Protocol to the Constitutive Act of the African Union Relating to the Pan-African Parliament. Available at: [*https://www.au.int/web/sites/default/files/treaties/7806-treaty-0047\_-\_protocol\_to\_the\_constitutive\_act\_of\_the\_african\_union\_relating\_to\_the\_pan-african\_parliament\_e.pdf*](https://www.au.int/web/sites/default/files/treaties/7806-treaty-0047_-_protocol_to_the_constitutive_act_of_the_african_union_relating_to_the_pan-african_parliament_e.pdf) (accessed 9 May 2017).

African Union (2007) Protocol on Relations between the African Union and the regional economic communities. Avaialable at: [*https://caast-net-plus.org/object/document/239/attach/AU-RECs-Protocol.pdf*](https://caast-net-plus.org/object/document/239/attach/AU-RECs-Protocol.pdf) (accessed 9 May 2017).

African Union (2001) Protocol to the Treaty establishing the African Economic Community relating to the Pan African Parliament (PAP). Available at: [*https://www.au.int/web/en/treaties/protocol-treaty-establishing-african-economic-community-relating-pan-african-parliament*](https://www.au.int/web/en/treaties/protocol-treaty-establishing-african-economic-community-relating-pan-african-parliament) (accessed 9 May 2017).

African Union (2016) Summary of the 27th AU summit decisions. Press Release No 25. Available at: [*https://www.au.int/web/sites/default/files/pressreleases/31218-pr-pr\_25\_-\_summary\_of\_27th\_au\_summit\_decisions\_-\_tax\_imports\_to\_finance\_au\_establish\_protocol\_to\_issue\_african\_passports\_to\_citizens\_and\_mandate\_of\_chairperson\_and\_commiss.pdf*](https://www.au.int/web/sites/default/files/pressreleases/31218-pr-pr_25_-_summary_of_27th_au_summit_decisions_-_tax_imports_to_finance_au_establish_protocol_to_issue_african_passports_to_citizens_and_mandate_of_chairperson_and_commiss.pdf) (accessed 1 November 2016).

African Union Commission (2013) African Union Agenda 2063: A shared ***strategic*** framework for inclusive growth and sustainable development: Background note. Available at: [*https://www.au.int/web/sites/default/files/newsevents/workingdocuments/29732-wd-27\_08\_agenda\_2063\_background\_note\_en\_0.pdf*](https://www.au.int/web/sites/default/files/newsevents/workingdocuments/29732-wd-27_08_agenda_2063_background_note_en_0.pdf) (accessed 1 November 2016).

African Union Commission (2015a) Agenda 2063: The Africa We Want. Available at: [*http://www.au.int/web/sites/default/files/pages/3657-file-agenda2063\_popular\_version\_en.pdf*](http://www.au.int/web/sites/default/files/pages/3657-file-agenda2063_popular_version_en.pdf) (accessed 4 August 2016).

African Union Commission (2015b) Agenda 2063: The Africa We Want: A shared ***strategic*** framework for inclusive growth and sustainable development: First ten-year implementation ***plan*** 2014–2023. Available at: [*https://www.tralac.org/images/docs/9370/agenda-2063-first-ten-year-implementation-****plan****-2014-2023-september-2015.pdf*](https://www.tralac.org/images/docs/9370/agenda-2063-first-ten-year-implementation-plan-2014-2023-september-2015.pdf) (accessed 10 October 2016).

Asante SKB, (1997) Regionalism and Africa’s Development. London, UK: Macmillan.

Botwe-Asamoah K, (2005) Kwame Nkrumah’s Politico-Cultural Thought and Policies. London, UK: Routledge.

DeGhetto K, Gray J, Kiggundu M, (2016) The African Union’s Agenda 2063: Aspirations, challenges, and opportunities for management research. African Journal of Management 2(1): 93–116.

Diop C, (1987) Black Africa: The Economic and Cultural Basis for a Federated State. Chicago, IL: Lawrence Hill Books.

East African Community (1999) Treaty for the establishment of the East African Community. Available at: [*http://www.eac.int/sites/default/files/docs/treaty\_eac\_amended-2006\_1999.pdf*](http://www.eac.int/sites/default/files/docs/treaty_eac_amended-2006_1999.pdf) (accessed 09 May 2017).

Fagbayibo B, (2013) Looking back, thinking forward: Understanding the feasibility of normative supranationalism in the African Union. South African Journal of International Affairs 20(3): 411–426.

Fagbayibo B, (2016) Flexibility arrangements in the African Union: A way out of the integration conundrum? Africa Review 8(2): 156–170.

Fassi S, Aggad F, (2014) Implementing African development initiatives: Opportunities and challenges to securing alternative financing for the Agenda 2063. European Centre for Development Policy Management (ECDPM) Briefing Note 65. Available at: [*http://ecdpm.org/wp-content/uploads/BN-65-Fassi-Aggad-Financing-Agenda-2063.pdf*](http://ecdpm.org/wp-content/uploads/BN-65-Fassi-Aggad-Financing-Agenda-2063.pdf) (accessed 31 October 2016).

Franke B, (2010) A pan-African army: The evolution of an idea and its eventual realisation in the African standby force. African Security Review 15(4): 1–16.

Fukuyama F, (1992) End of History and the Last Man. New York, NY: Free Press.

Gastorn K, (2015) The inevitable reforms of the legislative competencies of the East African Legislative Assembly. Verfassung und Recht in Übersee 48(1): 28–48.

Goodin R, (1996) Institutions and their design. In: Goodin R, (ed.) The Theory of Institutional Design. Cambridge, MA: Cambridge University Press, pp.1–53.

Hettne B, Soderbaum F, (2000) Theorising the rise of regionness. New Political Economy 5(3): 457–473.

Jinadu A, (2008) Nkrumah, pan-Africanism, and the future of Africa. In: Adejumobi S, Olukoshi A, (eds) The African Union and New Strategies for Development in Africa. New York, NY: Cambria Press, pp.23–38.

Legum C, (1962) Pan Africanism: A Short Political Guide. London, UK: Pall Mall Press.

Myerson R, (2008) Perspectives on mechanism design in economic theory. The American Economic Review 98(3): 586–603.

Navarro J, (2010) The creation and transformation of regional parliamentary assemblies: Lesson from the Pan-African parliament. The Journal of Legislative Studies 16(2): 195–214.

Ncube J, Akena M, (2012) A stream cannot rise above its source: Financing of Africa’s regional integration. Available at: [*https://www.pambazuka.org/governance/stream-cannot-rise-above-its-source*](https://www.pambazuka.org/governance/stream-cannot-rise-above-its-source) (accessed 9 May 2017).

NEPAD (2001) New Partnership for Africa’s Development (NEPAD), October 21. Available at: [*http://www.dirco.gov.za/au.nepad/nepad.pdf*](http://www.dirco.gov.za/au.nepad/nepad.pdf) (accessed 15 October 2016).

Nkrumah K, (1963) Africa Must Unite. New York, NY: Praeger.

Nkrumah K, (1965) Neo-colonialism: The Last Stage of Imperialism. New York, NY: International Publishers.

Nkrumah K, (1970) Consciencism: Philosophy and Ideology for De-Colonization. New York, NY: Monthly Review Press.

Nkrumah K, (1973) Revolutionary Path. London, UK: PANAF.

Nyerere J, (1997) Without unity, there is no future for Africa. NewAfrican Magazine, 3 May, 2013. Available at: [*http://newafricanmagazine.com/nyerere-without-unity-there-is-no-future-for-africa*](http://newafricanmagazine.com/nyerere-without-unity-there-is-no-future-for-africa)/ (accessed 15 October 2016).

Olapade M, Selormey E, Gninafon H, (2016) Regional integration for Africa: Could stronger public support turn ‘Rhetoric into Reality’? Afrobarometer Dispatch No. 91, 25 May. Available at: [*http://afrobarometer.org/sites/default/files/publications/Dispatches/ab\_r6\_dispatchno91\_regional\_integration\_in\_africa\_en.pdf*](http://afrobarometer.org/sites/default/files/publications/Dispatches/ab_r6_dispatchno91_regional_integration_in_africa_en.pdf) (accessed 20 November 2016).

Pettit P, (2006) Institutional design and rational choice. In: Goodin R, (ed.) The Theory of Institutional Design. Cambridge, MA: Cambridge University Press, pp.54–89.

Rooney D, (2007) Kwame Nkrumah: Vision and Tragedy. Ghana, West Africa: Sub-Saharan Publishers.

African Union (2002) Statutes of the Commission of the African Union, ASS/AU/2(1). Available at [*http://www.au2002.gov.za/docs/summit\_council/statutes.pdf*](http://www.au2002.gov.za/docs/summit_council/statutes.pdf) (accessed 9 May 2017).

Taylor I, (2003) Globalization and regionalization: Reactions to attempts at neo-liberal regionalism. Review of International Political Economy 10(2): 310–330.

Vanheukelom J, (2016) The Political Economy of regional integration in Africa: The African Union. European Centre for Development Policy Management (ECDPM) Report. Maastricht: ECDPM. Available at: [*http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-African-Union-Report.pdf*](http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-African-Union-Report.pdf) (accessed 15 October 2016).

Williams M, (1984) Nkrumahism as an ideological embodiment of leftist thought within the African World. Journal of Black Studies 15(1): 117–134.

**Load-Date:** March 29, 2024

**End of Document**



[***Vietnam, New Zealand agree to boost all-round co-operation***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S2R-VMJ1-F17J-S4SP-00000-00&context=1516831)

Asia News Network

March 14, 2018 Wednesday

Copyright 2018 Asia News Network All Rights Reserved



**Length:** 904 words

**Byline:** News Desk

**Body**

Prime Minister Nguyen Xuan Phuc and his New Zealand counterpart, Jacinda Ardern, agreed on major directions to boost future Vietnam-New Zealand co-operation in all fields during their talks in Auckland, New Zealand, on Tuesday.

In politics, the two sides concurred to maintain the exchanges of delegations, especially high-level ones, while strengthening people-to-people exchanges.

The two sides also agreed to implement the Action ***Programme*** for the 2017-20 period in an effective manner, and soon organise the 6th meeting of the Joint Committee on economic and trade co-operation in Hanoi and the 11th Political Consultation in New Zealand.

The two sides demonstrated their appreciation at the bilateral friendship and comprehensive partnership between the two countries, towards the 10th anniversary of the Comprehensive Partnership in 2019, and the 45th anniversary of bilateral diplomatic relations in 2020.

In defence-security, PM Ardern agreed that the two sides should implement specific co-operation within the newly-signed Action ***Programme*** on defence co-operation in the 2018-21 period. The two sides need to promote connectivity in defence industry and research, while strengthening collaboration in fighting trans-national criminals, terrorism and drug trafficking amidst the complicated security environment in the region.

In terms of economics and trade, both sides expressed their satisfaction with positive bilateral trade growth which hit US$1.24 billion last year – a year-on-year rise of over 30 per cent. They agreed on numerous trade promotion activities, including the facilitation of farm ***produce*** exports, in order to bring bilateral trade to $1.7-2 billion by 2020.

PM Phuc asked New Zealand to continue facilitating the export of Vietnamese tropical fruits such as mango, dragon fruit, rambutan, star apple, grapefruit and longan to its market, and expand investment in Vietnam in the fields of its strength and Vietnam’s demand like mining, energy, infrastructure, hi-tech ***agriculture***, education and finance.

Regarding official development assistance (ODA), the Vietnamese leader said he was satisfied with the efficiency of New Zealand’s ODA projects in Vietnam. He called for the increased provision of the assistance with the focus on ***agriculture*** and rural development, human resources development, disaster risk management and climate change.

The New Zealand PM took this occasion to announce two new ODA projects, namely a three-year ***programme*** worth NZ$1.5 million ($1.09 million) to help Vietnamese farmers increase their income and a pilot project on renewable energy worth NZ$ 500,000.

The two sides reached a consensus on intensifying collaboration in such areas as education and labour.

They acknowledged that co-operation in education and training is growing strongly and is one of the pillars of the bilateral relations.

They set a target to raise the number of Vietnamese students by 30 per cent by 2020 through encouraging the exchange of students between the two countries’ universities.

PM Ardern expressed her delight at positive growth in bilateral tourism co-operation, which is reflected through the fact that New Zealand welcomed 17,000 Vietnamese tourists last year.

She affirmed to maintain assistance for Vietnam in human resources training, while backing the opening of direct air routes linking the two countries, and committing to facilitating tourism and trade co-operation.

The two PMs affirmed to push ahead with co-operation and mutual support at regional and international forums of the World Trade Organisation (WTO), the East Asia Summit (EAS), the Asia-Pacific Economic Cooperation (APEC) Forum, and the Asia-Europe Meeting (ASEM)

PM Phuc thanked New Zealand for supporting Vietnam to host the APEC 2017 successfully and become a non-permanent member of the UN Security Council for the 2020-21 tenure.

The New Zealand PM affirmed to support and closely work with Vietnam in 2020 when the Southeast Asian country would take up the role as chair of the Association of Southeast Asian Nations (ASEAN), and the bloc and New Zealand will mark the 45th anniversary of dialogue partnership and the fifth anniversary of ***strategic*** partnership.

New Zealand would host the APEC Year 2021 and hoped to learn from Vietnam’s experience, she noted.

The two countries agreed to jointly implement the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and advocated the negotiations of the Regional Comprehensive Economic Partnership (RCEP).

The PMs were unanimous to entrust ministries and relevant agencies to promote the two countries’ relations in a deep and pragmatic manner across the fields in addition to promoting the exchange of a roadmap for the bilateral ***strategic*** partnership and soon elevating the bilateral relations as agreed by the two sides.

At the end of the talks, the PMs witnessed the signing of three important documents, including an agreement between Viet Nam’s Ministry of Industry and Trade and New Zealand’s Ministry of Foreign Affairs and Trade on economic and trade co-operation; a deal between Vietnam’s Ministry of Industry and Trade and New Zealand’s Ministry of Primary Industries on co-operation in food safety and quality management; a ***strategic*** cooperation ***plan*** between Viet Nam’s Ministry of Education and Training and New Zealand educational agency on education and training for 2018-20.

**Source:** Viet Nam News (Vietnam)

**Graphic**

Prime Minister Nguyen Xuan Phuc (third, right) and his New Zealand counterpart, Jacinda Ardern (second, left) hold talks during the Vietnamese PM’s official visit to the country.

**Load-Date:** May 11, 2018

**End of Document**



[***Register of Commission documents: Region Annex 6 Enhancing the Capacity of AHA Centre Document date: 2017-07-28 COM-AC\_DR(2017)D051788-02(ANN06) Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PKK-HMD1-F0YC-N3JT-00000-00&context=1516831)

Impact News Service

September 28, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 9734 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

1 This action is funded by the European Union ANNEX 1 of the Commission Implementing Decision on the Annual Action ***Programme*** 2017 Part II and 2018 Part I in favour of the Asia region Action Document for the Asia Investment Facility (AIF) 2017 1. Title/basic act/ CRIS number Asia Investment Facility (AIF) CRIS number: ACA/2017/040-370 (MA - part 1) and ACA/2018/040-409 (MA - part 2) financed under Development Cooperation Instrument 2. Zone benefiting from the action/ location DCI regions 'South Asia' and 'North and South East Asia' The action shall be carried out at the following location: all countries of Asia eligible under the Multiannual Regional Indicative ***Programme*** for Asia for the period 2014-2020 3. ***Programming*** document Multi-annual Regional Indicative ***Programme*** for Asia for the period 2014-2020 (RIP) Multi-annual Indicative ***Programme*** for Vietnam for the period 2014-2020 (MIP) 4. Sector of concentration/ thematic area Promotion of Green Economy DEV. Aid: YES 5. Amounts concerned Total estimated cost: EUR 71 000 000 Total amount of EU budget contribution EUR 71 000 000 The contribution is for an amount of EUR 39 million from the general budget of the European Union for financial year 2017 (040-370) and for an amount of EUR 32 million from the general budget of the European Union for financial year 2018 (040-409), subject to the availability of appropriations following the adoption of the relevant budget.

This action will unlock investments for indicative amounts as specified in the indicative project pipeline in appendix 2. 6. Aid modality(ies) and implementation modality(ies) Project Modality This action shall be implemented in indirect management by entities to be indicated in complementary financing decisions to be adopted at the end of the Regional Blending Facilities award procedure. 7a) DAC codes 23010 Energy Policy and administrative management Ref. Ares(2017)3082593 - 20/06/2017 2 41010 Environmental policy and administrative management 32130 SME Development 21010 Transport policy and administrative management 16050 Multi-sector aid for basic social services b) Main delivery Channel 42004 European Investment Bank European Development Banks 8. Markers (from CRIS DAC form) General policy objective Not targeted Significant objective Main objective Participation development/good governance X ☐ ☐ Aid to environment ☐ X Gender equality (including Women In Development) ☐ X ☐ Trade Development X ☐ ☐ Reproductive, Maternal, New born and child health X ☐ ☐ RIO Convention markers Not targeted Significant objective Main objective Biological diversity X ☐ ☐ Combat desertification X ☐ ☐ Climate change mitigation ☐ x Climate change adaptation ☐ x 9. Global Public Goods and Challenges (GPGC) thematic flagships N/A 10. SDGs Main SDG Goal: 13 Climate Action Secondary SDG Goal(s):7 Affordable and Clean Energy; 8 Decent work and economic growth, 11 Sustainable cities and communities SUMMARY The Asia Investment Facility ('AIF' or 'the Facility') was created in 2010 under the former Development Cooperation Instrument (DCI) and the Regional Strategy – Asia Region - and then aligned to the objectives of the new DCI Regulation1 and of the new Regional Strategy - Asia Region2 and Multiannual Regional Indicative ***Programme*** for Asia for the period 2014-20203. Its main purpose is to promote additional investments and key infrastructure with a focus on climate change relevance and 'green' investments in the areas of energy, environment, and transport. In addition, the Facility may help to improve access to finance for small and medium sized enterprises (SMEs) and to promote social sector investments. Where relevant and possible, a regional dimension should be included to the above mentioned 1 Regulation (EU) No 233/2014 of the European Parliament and of the Council establishing a financing instrument for development cooperation, for the period 2014-2020, OJ L 77, 15.3.2014 2 Decision C(2014) 9382 3 Decision C(2014) 6112 3 sectors. In order to ensure the effectiveness of blending operations in meeting their policy objectives of poverty reduction and sustainable socio-economic development as well as the efficiency of their management including a reduction of transaction costs, blending operations funded under the Development Cooperation Instrument (DCI) will be managed under the 'DCI blending framework', covering three regional facilities for Asia (AIF) , Central Asia (IFCA), and Latin America (LAIF) as well as thematic facilities. Financing of the DCI blending framework will be possible from DCI regional and bilateral multi-annual indicative ***programmes*** as well as relevant thematic ***programmes***. In this replenishment an allocation from the bilateral multi-annual indicative ***programme*** for Vietnam4 will be added as well. The Facility is designed to combine EU grants with other public and private financing. By reducing, through co-financing, the overall cost of the project or its perceived risk, the Facility will encourage beneficiary governments, private sector and/or public institutions to carry out essential investments in sectors which could otherwise be postponed or even not financed at all due to lack of appropriate resources. The present Action Document is a continuation of Commission decision C(2011)9053, the decision C(2013)8672 the decision C(2014)878, the decision C(2015)5830 and the decision C(2016)7768 on AIF. 1 CONTEXT 1.1 Regional context Asia is a vast and non-homogenous continent, very diverse in population, languages, religions, traditions, cultures, economic development and socio-political systems. Wealth and economic performances reflect this diversity and have been unevenly distributed across the region and across countries. As a result, poverty remains a significant challenge as Asia is still home to two thirds of the world poor, although it is worth noting a middle class is gradually developing thanks to the combination of economic growth and improved access to secondary and tertiary education. The region covered by the EU-Asia regional cooperation accounts for more than half of the world’s population, a significant part of the world economic wealth created every year, and is home to two of the ten largest economies in the world, China and India. Fast growth rates in the region are achieved at the cost of environmental degradation. In this context, EU support to regional cooperation aims at contributing to the smooth, fair and sustainable development of Asia while coping with common problems and globalisation challenges, in particular the setting up of common rules and fair trade to facilitate regional integration, environment preservation, the reduction of poverty pockets, humanitarian aid supporting uprooted people and the amplification of the emergence of a middle class through access to internationally recognized tertiary education ***programmes***. 4 26 MEURO, part of the AAP 2017 and AAP 2018 for Vietnam 4 Asia emits more than 30% of worldwide green-house gases (GHG) which on the basis of current trends would reach over 40% in 2030. In the recent past, the degradation and burning of peat soils in South-East Asia represented 6-7 per cent of global fossil fuel emissions. Asia also has the 3rd largest incidence of natural disasters worldwide. The anticipated effects of climate change imply a serious risk for future development in Asia. Since 2002, Vietnam is firmly engaged in a power sector reform aimed at ensuring the sustainability of the sector, through establishing a fully competitive power market, leading to a more cost-reflective pricing of electricity. In terms of climate change, energy (38.9%) and ***agriculture*** (47.8%)5 are the two sectors generating most GHG with a substantial increase over the last 20 years, followed by the industry sector which is also expected to further increase GHG emissions. In the future, energy is expected to become by far the main source of GHG emission with a projection of 86% by 20306. Renewable energy and energy efficiency constitute major un-tapped areas for mitigation. 1.2 EU Policy Framework The Rio+20 Outcome, strongly supported by the EU, identify the transition to a green economy as a key goal of sustainable development. Under the Regional Asia ***programme*** green economy is addressed in two areas. The first area is the adoption of sustainable consumption and production techniques by Asian manufacturers and service providers, in order to decouple economic growth from environmental degradation and natural resource depletion that so often accompany it. The second area is the leveraging of investment funding in green infrastructure that will limit the emission of CO2 and equivalents and increase resilience to climate change in vulnerable countries. The AIF is the vehicle for leveraging this investment funding. These continental ***programmes*** will contribute to achieving the EU’s target of at least 20% of spending on climate change adaptation and mitigation. Investment needs in EU partner countries are huge as was concluded in the Addis Ababa Action Agenda on Financing for Development in July 2015. Government and donor funds are far from sufficient to cover these needs. Already the Agenda for Change emphasises the support for inclusive growth and job creation as a key priority of EU external cooperation. Blending and leveraging private investments are also key components in the context of the Sustainable Development Goals and the new European Consensus on Development as well as the climate finance objectives agreed upon in the COP 21 and in the discussions of the new Investment ***Plan***. In accordance with the Regulation (EU) No 236/20147, the Union should seek the most efficient use of available resources in order to optimise the impact of its external action. That should be achieved through coherence and complementarity between the Union's instruments for external action, as well as the creation of synergies between the Instruments and other policies of the Union. This should further entail mutual reinforcement of the ***programmes*** devised under the Instruments, and, where appropriate, the use of financial instruments that have a leverage effect. 5 UN Climate Change Secretariat. 6 Technical report on VN's INDC (Ministry of Natural Resources and Environment – Nov 2015). 7 Regulation of the European Parliament and of the Council (EU) No 236/2014 of 11 March 2014 establishing common implementing rules and procedures for the implementation of the Union's instruments for external action 5 Within Vietnam's policy framework, decision 2068 adopting a 'Renewable Energy Development Strategy until 2030, vision 2050' serves as basis for delivering on Vietnam's commitments at COP 21 in the field of renewable energy8. 1.3 Stakeholders analysis The beneficiaries of the Facility will be the Asian countries via their central, regional and local administrations or semi-public institutions, and the private sector, in particular local Financial Institutions and SMEs. In addition, stakeholders include European or multi-national Financial Institutions that are eligible to become Lead Financial Institutions for AIF funded operations. In accordance with Article 4 e) the Regulation (EU)No 236/2014, financial instruments shall be implemented whenever possible under the lead of the European Investment Bank (EIB), a multilateral European financial institution such as the European Bank for Reconstruction and Development (EBRD), or a bilateral European financial institution. The Agence Française de Développement (AFD) has so far been the main financial institution partner in Asia followed by Kreditanstalt für Wiederaufbau (KfW). The main focus has been on projects relevant to climate change objectives and 'green' investments in areas of environment and energy, as well as in SME's and social infrastructure. In accordance with the recommendations made under the EU Platform for Blending in External Cooperation (EUBEC), the involvement of non-European FIs as lead financiers should be examined by the Board of the DCI Blending Framework on a case by case basis following a targeted approach, based on the specific added value as a lead financier brought in a particular project or region. This would include those aspects in which non-European FIs might contribute to fill the gap left by European FIs, in particular regarding their : a. specific thorough knowledge of local conditions and presence in the region, b. specific analytical capacities and specific expertise and know-how, notably on private sector financing and the promotion of financial instruments and /or of innovative financing tools that attract private funding, c. specific know-how and experience in relevant sectors, d. additional technical and/or financial capacity to substantially leverage further resources. In accordance with art 2 of the Rules of Procedure of the DCI Blending Framework, non-European finance institutions active in a particular region should be invited to attend relevant Technical Assessment and Board meetings as observers. 1.4 Priority areas for support/problem analysis See point 1.1 and 1.2 above. 8 Decision 2068/ QĐ-TTg (Nov. 2015) 6 2 RISKS AND ASSUMPTIONS Risks Risk level (H/M/L) Mitigating measures Debt level of beneficiary countries is not sustainable. M Close attention is paid to this issue during the project selection process. This is facilitated by detailed information that the applying Financial Institution needs to provide on the application form. For the specific case of Vietnam, high level of debt is an issue. However, investments in the areas of sustainable energy and more broadly on climate change are expected to be prioritized by the Government. Assumptions  The political and security climate at the regional as well as country level in Asia will remain sufficiently stable to promote and secure investments.  Partner countries have identified priority investments and are ready to finance them through their own resources as well as through loans.  The Financial Institutions' pipeline of projects is of sufficient volume and quality to consume the present allocation to the Asia Investment Facility within the period n+1.  Financial Institutions' capability to provide sufficient loan amounts also depends on the availability/accessibility of financial guarantees/grant resources in countries with a concessionality requirement.  Partner countries and other local beneficiaries are engaged since the early stage and have full ownership of the project prepared by the eligible European Financial Institutions. 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES 3.1 Lessons learnt The AIF draws to the maximum extent possible lessons from previous similar experiences through reviews, assessments, monitoring results (Results Oriented Monitoring), evaluations of previous actions and, where possible, other assessments from other donors, relevant to this specific action. An evaluation of the EU regional cooperation with Asia was carried out in 2013, but all AIF projects were still ongoing at the time of the evaluation, so that their development impact could not be assessed. An overall evaluation on blending9 was conducted between July 2015 and July 2016 incorporating all regional investment facilities10 active during the period 2007-2014. The outcome of the evaluation is positive and following recommendations are relevant for further follow-up under AIF:  Focus strongly on the additionality of the blending grant 9 Evaluation of Blending, final report, December 2016, ADE 10 ITF, NIF, LAIF, CIF, IFCA, AIF and IFP 7  Expand the number and specialization of IFI partners  Sharpen the alignment of the blending projects with national policies  Expand the use of risk sharing instruments to financial intermediaries selected for their strategy and policies with respect to pro-poor and pro-development risk taking  Achieve greater development impact through blending projects by placing greater focus on job creation and poverty alleviation. In line with the overall objective of the Asia Regional Indicative ***Programme*** 2014-2020, the AIF encourages multi-country projects which address common constraints and efficiently uses available resources and institution, complementing national efforts, enhancing sustainable and inclusive development within the Asia region. However, most projects approved so far have mainly national objectives. The AIF Technical Assessment Meeting and the AIF Board have therefore encouraged the Financing Institutions to consider additional regional projects in the future. These findings have been used, with other reports, by the EU Platform for Blending in External Cooperation, set-up in December 2012, to make concrete recommendations for further increasing the effectiveness of aid delivered by the European Union through blending. At the same time, the Court of Auditors published a special report on blending in October 2014. The conclusions were very much in line with the above: blending the regional investment facility grants with loans from FIs to support EU external policies was found generally effective, and projects were relevant. The recommendations covered the following aspects: need to improve the documentation on additionality of the grant, ensure the maturity of projects submitted to the facilities' Boards, ***produce*** guidelines, ensure a more pro-active role of Delegations, simplify the decision making process, improve the Commission’s monitoring of the projects, and ensure appropriate visibility for EU funding. These recommendations have been dealt with by the EU policy group established under the EU Platform for Blending in External Cooperation. They were consequently incorporated in an improved project application form, as well as in a newly developed blending results measurement framework. These will continue to be improved according to arising needs as well as knowledge obtained from the implementation of blending projects. Finally, DCI blending facilities have been working since 2014 in context of a revised and harmonized governance framework that improves the accountability of the decision making process while reducing transaction costs. 3.2 Complementarity, synergy and donor coordination AIF provides Asian countries with the possibility to fund investments where funding cannot (yet) be obtained on the financial market. It is funded under the EU's Regional Indicative ***Programme*** 2014 – 2020 for the region of Asia and the various National Indicative ***Programmes*** and thus focuses on activities that are in line with the priorities of these Regional and/or National Indicative ***Programmes*** respectively. Notably, AIF, as it encourages green investments11, is complementary to the SWITCH-Asia ***programme*** which pursues a similar objective and has been tentatively allocated EUR 120 million over the ***programming*** period 2014-2020. The former, however, by combing grant 11 A green investment is to be understood as an investment that promotes green economy (see definition of a green economy on page 1) 8 resources with other type of financing could even support larger scale projects, while the latter targets SMEs' small scale projects. Furthermore, in terms of access to finance for SMEs, SWITCH-Asia's ***interventions*** are limited to capacity building measures while AIF can intervene in risk sharing activities. Links between AIF and SWITCH-Asia have already been established via the SWITCH-Asia magazine12, highlighting relevant projects. Furthermore, links between the two ***programmes*** will be encouraged during SWITCH networking events and through webinars organized under SWITCH ASIA on access to green finance for SMEs and MSMEs. The allocation from the MIP Vietnam is fully linked with the main focal sector of the MIP which is Sustainable Energy with three main objectives: Access to Energy in Rural Areas, Energy Efficiency and Renewable Energy. In support of these objectives the EU wants to promote infrastructure investments in the sector and this via blending operations. In line with the overall objective of the Asia Regional Indicative ***Programme*** 2014-2020, the AIF encourages multi-country projects which addresses common constraints and efficiently uses available resources and institutions, complementing national efforts, enhancing sustainable and inclusive development within the Asia region, By combining grant funds from the European Commission's budget with financing from European Financial Institutions, the Facility promotes coherence and enhanced coordination between donors, in line with the Paris Declaration principles and in compliance with the Regulation (EU, Euratom) No 966/2012. Since Financial Institutions' resources reinforce EU resources, AIF is able to finance larger operations and bring more EU visibility than classical stand-alone projects. In addition, by helping to carry out public investments, the EU will be able to exert greater influence on the beneficiary governments or their public bodies to carry out necessary reforms. Following the recommendations of the EU Platform for Blending in External Cooperation, the involvement of non-European FIs, including the possibility to act as lead FIs is to be examined by the Board of the relevant blending framework on the basis of their value added to a particular project or region. 3.3 Cross-cutting issues The European Commission will ensure during the project selection process as well as through the normal project monitoring process that funds entrusted to eligible Financial Institutions for projects financed under AIF from the EU budget respect European Union principles in terms of climate change, environmental sustainability, EU law on Environment Impact Assessment, gender equality, good governance and human rights. Synergies between the blending facilities and EU funded capacity building ***programmes*** related to cross cutting issues and, where applicable, policy reform instruments including sector budget support will be sought. 12 [*http://www.switch-asia.eu/publications/switch-asia-magazine/*](http://www.switch-asia.eu/publications/switch-asia-magazine/) 9 4 DESCRIPTION OF THE ACTION 4.1 Objectives/results This ***programme*** is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG target(s) 13, but also promotes progress towards Goal(s) 7, 8 and 11. This does not imply a commitment by the Asian countries benefiting from this ***programme***. In line with the objectives of the Regional Indicative ***Programme*** 2014 – 2020 for Asia, AIF's main objective is the promotion of a green economy through the leverage of additional investments and key infrastructure with a priority focus on climate change relevant and 'green' investments in areas of environment, energy as well as in SMEs and social infrastructure. The blending mechanism allows mitigating financial risks, and thus, funding of projects that without blending would not be possible or only possible at a higher price/interest rate, later stage, lower quality etc. The leverage effect of AIF is expected to mobilize additional financing amounts several times the amount of the AIF grant contribution. AIF promotes investments in the sectors energy, environment, SMEs development, social infrastructure and transport. The Facility thus contributes to the realization of projects aiming to reduce unemployment and poverty and to advance the economy in a sustainable way. Furthermore, AIF aims to support investments with the potential to mitigate or reduce the negative impact of climate change. AIF is an appropriate instrument to co-finance some of these investments and to develop a range of climate change oriented operations in Asia. Synergies will be sought with other partners active in this sector. The expected results of AIF include contributions to: (1) Better energy infrastructure13,, notably: - Improved transit connections between Asian countries, thus increasing security of energy supply for Asian countries; - Improved safety and security of energy infrastructure; - Improved energy efficiency and energy savings; - Increased production and use of renewable energy (e.g wind, solar energy, bio-mass). (2) Increased protection of the environment and better focus and control of climate change impacts, notably: - Introduction of integrated water management, including necessary related infrastructure; - Reduction of air, soil and water pollution including monitoring infrastructure when needed; - Increased forest protection including by strengthening forest governance - Promotion of climate change related investments, i.e renewable energy, energy saving and cleaner production and other environment friendly techniques; - Promotion of integrated waste management (household, municipal and industrial) including necessary related infrastructures. 13 The MIP allocation of Vietnam will be totally allocated in order to attain the expected results formulated for energy. 10 (3) Creation and growth of SMEs and improvement of the employment situations, notably in the area of climate change relevant and 'green' investments: - Better access to financing for SMEs (availability of a larger range of financial products than currently available) at the different stages of enterprise creation, restructuring and modernisation, favouring cleaner and low carbon production focused projects; - Creation of technological pools, enterprise incubators, etc. (4) Improved social services and infrastructures, notably in the area of climate change relevant and 'green' investments: - Better access to health care and improved health services installations in urban and rural areas; - Better education facilities, increased access to education in urban and rural areas; - Improve vocational training facilities. (5) Better transport infrastructure, notably in the area of climate change relevant and 'green' investments: - Better (faster, cheaper and safer, environmental friendly and low carbon) transport infrastructure within beneficiary countries and between them; - Better interconnection between Asian countries; - Faster and cheaper movement of people and goods within Asia. 4.2 Main activities The types of operations to be financed under AIF are the following:  Direct investment grants  Technical assistance;  Risk capital operations and risk-sharing operations, e.g guarantees  Interest rate subsidies 4.3 ***Intervention*** logic To be developed at project level. 5 IMPLEMENTATION 5.1 Financing agreement In order to implement this action, it is foreseen that a financing agreement may be concluded with partner countries, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012. 5.2 Indicative implementation period The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 120 months from the entry into force of the financing agreement or, when none is concluded, from the adoption by the Commission of this Action Document. 11 Extensions of the implementation period may be agreed by the Commission’s authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3 Contribution to the Asia Investment Facility This contribution may be implemented under indirect management with the entities, called Lead Financial Institutions, and for indicative amounts identified in the appendix of this action document, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. The entrusted budget-implementation tasks consist in the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it. The Lead Financial Institutions are not definitively known at the moment of adoption of this Action Document but are indicatively listed in its appendix. Complementary financing decisions will be adopted under Article 84(3) of Regulation (EU, Euratom) No 966/2012 to determine the Lead Financial Institutions definitively. Certain entrusted entities are currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission’s authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002, they can be entrusted with budget-implementation tasks under indirect management. 5.4 Procurement (direct management) Subject in generic terms, if possible Type (works, supplies, services) Indicative number of contracts Indicative trimester of launch of the procedure Visibility services 1 Q2 - 2018 5.4 Scope of geographical eligibility for procurement and grants The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provision. The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult. 5.5 Indicative budget Facility EU contribution 12 (Amount in EUR) 5.3.1 2014-2020 RIP contribution to AIF in support of activities covered by the regional ***programme*** 44 950 000 5.3.2 2014-2020 MIP contribution to AIF for Vietnam in support of activities covered by Vietnam's bilateral ***programme*** 26 000 000 5.10 2014-2020 RIP contribution to AIF communication & visibility 50 000 Total 71 000 000 In case additional funds originating from a bilateral Multi-Annual Indicative ***Programme*** are added to the Investment Facility, these funds will be allocated to projects benefiting the country contributing, and in line with the priorities of that Indicative ***Programme***. In case the total budget of the projects recommended by the Board for this country is lower than the amount allocated under the MIP, the Commission may consider financing other eligible projects in other countries covered by the Facility. In this case, a non-substantial rider to the Decision will be duly processed in order to use the Regional Indicative ***Programme*** (RIP) resources, up to an amount corresponding to the difference between the amount initially allocated under the MIP and the total amount of the projects relating to the concerned country. 5.6 Organisational set-up and responsibilities DCI Blending Framework The Asia Investment Facility will operate under the governance of the DCI blending framework. The operational decision-making process will be prepared in a two level structure:  opinions on projects will be formulated at the Board meetings, held if possible back to back with the respective financing instrument's committee (DCI Committee);  such opinions will be prepared in dedicated Technical Meetings. The Board is chaired by the Commission. The EEAS and the EU Member states are members who provide an opinion. FIs14 participate as observers. The opinion of the Board can be positive, negative or recommend re-submission of project proposals. FIs will be present for the purposes of presenting their proposals and responding to any request for clarifications on proposals submitted. The conclusions – reached according to DCI rules - of the meetings including their justifications will subsequently be communicated to the Financial Institutions in writing. The Board will also be responsible for: • providing guidance to participating institutions on appropriate future financing proposals (based on ***strategic*** priorities defined in the context of the ***programming*** process and further discussed in the ***strategic*** meetings - see hereunder), monitor and review the pipeline of projects, based on the results of the discussions at the technical level; 14 Financial Institutions for the purposes of this document comprise European Financial Institutions participating in AI

F and invited non-European Financial Institutions. 13 • examining project related results (including the annual reports) and monitor the portfolio of approved projects; • promoting exchanges of best practices; • drawing upon the specific expertise of the FIs as appropriate and respect the appropriate division of labour; • examining the involvement of non-European FIs as lead financiers on a case by case basis following a targeted approach, based on the specific added value as a lead financier brought in a particular project or region. The Board would meet two to four times a year, depending on the needs. To improve efficiency, Board meetings will be held back to back with DCI Committee meetings whenever possible. When duly justified by time constraints, opinion on projects could be requested by written procedure. Technical assessment meetings (TAMs) chaired by the Commission with the participation of EEAS and Finance Institutions will be held to: • review and discuss the pipeline to ensure coordination at an early stage, including in relation to geographical balance and agreed EU political objectives. Results of the pipeline discussion shall be transmitted to the Boards. • assess project proposals submitted by a so called Lead Financial Institution based on the appropriate application form. The proposal will also be shared with other Financial Institutions for peer review and possible written comments. In particular, such assessment will include alignment to EU policy objectives, the justification of the added value of the grant contribution, social and environmental aspects, appropriate financial structure and other issues such as debt sustainability. • facilitate exchanges on best practices across regions, including the possible development of selected blending operations or financial instruments that extend across geographical regions. Such meetings will be held on a regular basis depending on the needs and will be organised pragmatically bringing together appropriate experts from the FI’s, the Commission and the EEAS. If appropriate such meetings may include or be complemented by virtual meetings and/or written exchanges facilitated by the Secretariat. The Lead Financial Institution, on the basis of and depending on the comments made, will then be able to submit a revised proposal for further technical discussions at a later technical meeting or a final revised application form in view of the submission to the Board. In accordance with the recommendations made under the EU Platform for Blending in External Cooperation, non-European Finance Institutions active in a particular region should be invited to attend relevant technical and Board meetings as observers. ***Strategic*** orientations will be discussed with beneficiary countries in dedicated ***strategic*** meetings when appropriate, under the ownership principle of EU development cooperation. The Commission and the EEAS will conduct and co-chair ***strategic*** discussions at the appropriate level with Member States, beneficiary countries and relevant regional organisations. Financial Institutions will participate in the discussions as observers. These ***strategic*** discussions will cover regional investment ***plans*** and priorities, provide ***strategic*** and policy guidance and advice for identification and preparation of the most relevant proposals 14 for blending and for the Board to review the pipeline and approve the most relevant projects for achieving the objectives of the EU-Central Asia Strategy. Rules of procedure for the DCI Blending Framework, adopted in October 2015, provide further details regarding the decision making process as well as the organisation of the ***strategic*** meetings. The Commission will ensure the secretariat of the DCI blending framework. Regarding this role, its tasks may include but are not limited to: providing opinions on individual blending operations, coordinating the internal Commission/EEAS consultation process including DG BUDG, DG SJ, DG ECFIN and DG SG; monitoring of implementation at facility level; consolidation of the pipeline on the basis of the information provided by the Financial Institutions; reporting to EU institutions; production of regular up-to-date information and annual reports on the facilities; preparation of exchanges on best practices etc.. The Commission will also provide support in the organization of communication events and the general implementation of the communication strategy (websites and other communication tools), thereby contributing to the visibility of the EU. The Secretariat organises the technical level assessment of proposals and is the central contact point for all stakeholders involved in the blending framework. 5.7 Performance monitoring and reporting In accordance with Regulation (EU) No 236/2014, financial instruments may be grouped into facilities for implementation and reporting purposes. The Commission will report annually to the European Parliament and the Council on the activities relating to the Asia Investment Facility, including the details laid down in Article 140 of Regulation (EU, Euratom) No 966/2012. Reporting will also be carried out at an individual operational level by the entrusted entities, in line with the contractual provisions of the bilateral agreement that the Commission will sign with these entities. The entrusted entities should provide all the relevant information on the execution of the projects in order to enable the European Commission to carry out the required follow up of the actions. As per the recommendation of the EU Platform for Blending and External Cooperation (EUBEC), the Commission will monitor the performance of the projects benefiting from AIF grants based on the minimum set of results indicators listed in Appendix I, as may be adapted from time to time following the EU Platform on Blending in External Cooperation discussions and considering the relevant EU Result Framework, or any further indicator agreed. The reporting shall also enable the Commission to report on the performance indicators defined in the EU Results Framework as well as in the Regional Indicative ***Programme*** and – where applicable – the relevant bilateral Multi-annual Indicative ***Programme*** The day-to-day technical and financial monitoring of the implementation of contracts funded under the Facility will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. 15 The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). 5.8 Evaluation Having regard to the importance of the action, ex-post evaluations may be carried out for this action or its components via independent consultants contracted by the Commission or through a joint mission. It will be carried out for accountability and learning purposes at various levels. The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. The financing of the evaluation shall be covered by another measure constituting a financing decision. 5.9 Audit Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. The financing of the audit shall be covered by another measure constituting a financing decision. 5.10 Communication and visibility Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. Actions funded under the Asia Investment Facility shall contain communication and visibility measures which shall be based on specific Communication and Visibility ***Plans*** elaborated for each action at the start of implementation. An additional budget indicated in section 5.5 above is reserved for communication and visibility activities on the facility in general. In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements. The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plans*** of the actions and the appropriate contractual obligations. 16 Indicatively one contract for visibility shall be concluded under a service contract in 2018. 17 APPENDIX I: STANDARD OUTPUT AND OUTCOME INDICATORS FOR BLENDING PROJECTS15 15 Source: guidance note on project application form; version January 2016 Energy OUTPUT INDICATORS UNIT DEFINITION 1.1 Transmission and distribution lines installed or upgraded Km The indicator covers power transmission and distribution lines. It is the measure of the ground distance traversed, in kilometres. 1.2 New connections to affordable, reliable and modern energy Number of connections Number of 1) new connections to the grid, 2) inferred new connections and calculation methodology. 1.3 Renewable capacity installed MW Renewable capacity installed of a new power plant or refurbishment of an existing plant with the aim of increasing capacity. 1.4 Population benefitting from energy production Number of households The number of households which are estimated to benefit from new energy supply from the project. 1.5 Power production MWh/year Total net annual average electricity generated by project (as registered by a meter). 1.6 Energy efficiency GWh/year Energy savings as a result of project against no project or most likely alternative (e.g loss reduction in generation, distribution, etc.) 1.7 Population benefitting from electricity production Nr. of households The number of households which are estimated to benefit from new electricity supply from the project. 1.8 Power production GWh/year Total net annual average electricity generated by project, independently 18 Transport OUTPUT INDICATORS UNIT DEFINITION 2.1 Length of new or upgraded roads km Total length of the road built or upgraded through the project. This indicator will refer to paved roads and in general cover motorways, highways, main or national roads, secondary or regional roads. 2.2 Length of new or upgraded railways km Total length of railroad tracks built or upgraded. 2.3 Length of new or upgraded urban transport lanes. km Total length of urban transport lanes including bus lane, tramline or metro tracks built or upgraded. 2.4 Port terminal capacity (passenger, container or cargo) Million passenger per annum “mppa” (passenger); million TEU/year (container); million tons/year (cargo) The indicator is the future capacity of the container terminal(s). In case of a terminal expansion, it includes the total capacity of the terminal(s) (current terminal(s) + expansion). The baseline is the current capacity of the container terminal(s). Depending on the type of terminal (container, passenger or cargo), the units used will be different. 2.5 Airport terminal capacity Million Passengers per annum – “mppa” or million tons /year (cargo) The indicator is the increase in passenger terminal capacity of the airport. It is calculated as the difference between the assessed total passenger terminal capacity of the existing airport prior to the project being implemented and the assessed total passenger terminal capacity of the airport after the project has been implemented. OUTCOME INDICATORS UNIT DEFINITION 2.6 Users of new or upgraded roads Average Annual Daily Traffic “AADT” Average Annual Daily Traffic. All vehicle will be counted, including those of traffic that existed before upgrading, diverted traffic, traffic generated as a result of road improvement, as well as growth in each of these categories. 2.7 Rail use Million Passengers /year or tons /year (cargo) Total of passengers or freight using rail service. 2.8 Urban transport users Million passenger per annum Total urban transport passengers indicating those shifted from other transport modes as a result of the project. of its maximum capacity. 1.9 Power production from renewable sources GWh/year Total net annual average electricity generated by project from renewable sources, independently of its maximum capacity. 1.10 Energy efficiencies GWh/year Energy savings as a result of project against no project or most likely alternative (e.g loss reduction in generation, distribution, etc.) 19 2.9 Ports: Terminal(s) user traffic (passenger, container or cargo) Million passenger per annum “mppa” (passenger); million TEU/year (container); million tons/year (cargo) Total of passengers, containers or cargo using port services. Depending on the type of terminal (container, passenger or cargo), the units used will be different. 2.10 Airport use Million Passengers per annum – “mppa”or million tons /year (cargo) Passenger or freight traffic handled at the airport. Environment (water and sanitation) OUTPUT INDICATORS UNIT DEFINITION 3.1 Length of new or rehabilitated water supply pipes Km Length of water mains and distribution pipes installed/ upgraded. All sizes of pipes intended to transport water for urban water use expressed in their aggregate length in the network, irrespective of pipe diameter, comprising mains as well as reticulation pipes. 3.2 Length of new or rehabilitated sewer pipes installed Km Length of collectors and sewers installed or upgraded. All sizes of sewer pipes expressed in their aggregate length in the network, irrespective of pipe diameter, comprising mains as well as reticulation pipes. 3.3 New connections to water supply Nr Number of new connections to the water network. Only new connections resulting from a project are counted; those already connected to the network and receiving improved services through a project are not counted. 3.4 Water treatment capacity M3/day Maximum amount of water that the new or improved treatment plant can process. This indicator reflects the total new or additional capacity of treatment plant independently of its production during operation. 3.5 Wastewater treatment capacity M3/day Maximum amount of waste water that the new or improved treatment plant can process. This indicator reflects the total new or additional capacity of treatment plant independently of its production during operation. OUTCOME INDICATORS UNIT DEFINITION 3.6 Population benefitting from safe drinking water Nr of households Urban or rural population using a safe drinking water supply, as defined by international standards. 3.7 Population benefitting from improved sanitation services Nr of households Urban or rural population with access to improved sanitation services, as defined by international standards. 3.8 Potable Water ***Produced*** M3/day Amount of potable water ***produced***, independently of the maximum capacity of the network. 3.9 Wastewater Treated Population Amount of wastewater treated, independently of the maximum capacity of the treatment 20 equivalent “p.e ” plant. Private sector development OUTPUT INDICATORS UNIT DEFINITION 4.1 For direct operations: Access to finance: number of units served among relevant target group Nr. Number of outstanding loans/ at the end of their fiscal year and annual number of new loans/investments disbursed/made during the year. 4.2 For direct operations: Access to finance: Amount of outstanding loans to relevant target group Currency Amount of outstanding loans/investments at the end of their fiscal year and annual volume of new loans/investments disbursed/made during the year. 4.3 For indirect operations: New financing made available to financial intermediaries (e.g banks, microfinance institutions, funds) Currency Volume of credit lines/guarantees / capital investment extended to financial intermediaries for on lending to target groups (target groups being understood as Microfinance/MSME/Agribusiness/Energy Efficiency/Renewable Energy/Student Loans/Housing Finance/Retail Finance/Total Portfolio/Other to be specified in each instance). OUTCOME INDICATORS UNIT DEFINITION 4.4 For indirect operations: Access to finance: number of units served among relevant target group Nr. Number of outstanding loans/investments in the portfolio of relevant financial intermediaries at the end of their fiscal year and annual number of new loans/investments disbursed/made during the year. 4.5 For indirect operations: Access to finance: Amount of Outstanding Loans and other sources of financing to relevant target group Currency Amount of outstanding loans/investments in the portfolio of relevant financial intermediaries at the end of their fiscal year and annual volume of new loans/investments disbursed/made during the year. 4.6 For direct operations: Number of MSMEs reporting increased turnover (as a result of direct support received from the FIs) Nr. Number of MSMEs receiving direct assistance from FI that have increased the volume of their turnover. 4.7 For both direct and, where feasible, indirect operations: Number of jobs sustained (resulting from the project) FTE Number of full-time equivalent employees at the end of the reporting period. Includes full-time equivalent worked by seasonal, contractual and part time employees. Part-time jobs are converted to full-time equivalent jobs on a pro-rata basis. 21 Social (social housing, health and education) OUTPUT INDICATORS UNIT DEFINITION 5.1 New and/or refurbished habitable floor area Square meter Square meters of new and/or refurbished social housing. 5.2 New and/or refurbished health facilities Nr. Number of new and/or refurbished health facilities of any type (hospitals, clinics, health centres etc.). 5.3 New and/or refurbished educational facility Nr. Number of new and/or refurbished educational facility of any type (schools, universities etc.). OUTCOME INDICATORS UNIT DEFINITION 5.4 Population benefitting from improved housing conditions Nr. of households Number of households benefitting from improved housing conditions. 5.5 Bed occupancy rate % Percentage of beds occupied at the hospital. 5.6 Inpatients Nr. per year Number of patients per year that are admitted and stay at least one night at the hospital. 5.7 Outpatient Consultations Nr. per year Number of patients per year that are diagnosed or treated at but do not stay overnight at the hospital from the project. 5.8 Students benefitting from new and/or refurbished educational facility Nr. per year Students per year benefitting from new and/or refurbished educational facility by gender and age group. 5.9 Students enrolled Nr. per year Total aggregate of pre-primary, primary, secondary, tertiary, further, vocational as required by gender. ***Agriculture***, Food and Nutrition Security OUTPUT INDICATORS UNIT DEFINITION 6.1 ***Agricultural*** production Tons per yr For the main productions impacted by the project, measured yearly 6.2 Area under cultivation Ha per yr For the main productions impacted by the project, measured yearly 22 6.3 Due diligence report of projects that affect land and property rights Yes/No Based on the guidelines developed by the Agence Française de Développement (AFD) and in line with the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) OUTCOME INDICATORS UNIT DEFINITION 6.4 Additional added value created Euro (constant value) per yr For the main productions impacted by the project, measured yearly 6.5 Added value going to farmers Euro (constant value) per yr For the main productions impacted by the project, measured yearly 6.6 Net employment creation (gender differentiated) Nr. per yr Informal and formal jobs, measured yearly 6.7 Minimum Dietary Diversity Score Score Minimum number of food groups consumed by an individual over a reference period. Ref.: FAO Manual Minimum Dietary Diversity in Women (in preparation). Cross sector indicators 16 Enter baseline according to point (2), expected value with the project according to gross emissions calculation in point (3) and expected result according to net emissions impact calculation in point (4). Indicate in the comments box the project impact category as outlined in point (1). The indicator should be assessed for a 'typical year of operation': there is no need to 'indicate the year'. INDICATORS UNIT DEFINITION 7.1 Total number of beneficiaries # Estimated number of people with improved access to services (financial services, social and economic infrastructure, etc.) 7.2 Number of beneficiaries living below the poverty line # (and/or %) Sub-group of total beneficiaries above (if applicable). Reference point used, e.g national or international definitions of poverty, should be made transparent) 7.3 Relative (net) Greenhouse gas emissions impact16 CO2 ktons eq / year Average amount of GHG emissions induced, avoided, reduced or sequestered per year by the project during its lifetime or for a typical year of operation: net balance between gross emissions and emissions that would occur in a baseline scenario. 23 7.4 Direct employment: Construction phase # (FTE) Number of full-time equivalent construction workers employed for the construction of the company or project's hard assets during the reporting period. 7.5 Direct employment: Operations and maintenance # (FTE) Number of full-time equivalent employees as per local definition working for the client company or project at the end of the reporting period. 24 APPENDIX 2: Indicative pipeline EU Contribution Year Country Lead Finance Institution FIs consort Operation's Title Sector Total budget (MEUR) Technical Assistance Investment Grants Risk sharing instruments (guarantee/risk capital) 1 2017 Myanmar AFD AFD Urban development and heritage protection Yangon Sustainable cities. Climate adaptation 88,7 5,0 8,0 2 2016 Philippines AFD RENAISSANCE Project Environment - mngt of natural resources 55,0 10,0 3 2017 Cambodia AFD Access to renewable energy in remote areas Energy 34,0 4,0 4 2017 Cambodia AFD Provincial Water Supply and Sanitation Project Sustainable cities. Climate adaptation 92,4 4,0 5 2017 Cambodia AFD PSEA 2 Irrigation 200,0 8,0 6 2017 India AFD AFD Programmatic approach supporting the Smart Cities Mission Urban development 110,0 5,0 5,0 25 7 2017 Myanmar AFD AFD Satellite Fishery resources monitoring Environment 58,0 To be specified 8,0 8 2017 Regional AFD AFD / ADB CICLASIA Sustainable cities 8,0 9 2017 Vietnam AFD AFD Integrated Coastal Zone Management Natural resources 114,5 10,0 10 2017 Vietnam AFD AFD Support to EVN for sustainable and renewable energy ( Ialy hydropowerplant and solar powerplant) Sustainable energy/Renewable energy 202,0 2,0 80,0 10,0 11 2017 Myanmar CDP CDP-AICS) NEP - Italian Contribution to the National Electrification Project Energy/Rural development 38,1 6,0 12 2017 Mongolia EBRD Secondary cities water/wastewater modernisation Municipal Infrastructure 22,7 2,0 6,8 13 2017 Lao PDR EIB WB/NDF Lao Climate Resilient Road Transport 69,0 5,0 14 2017 China KfW TA Facility for Green Promotional Loans Environment and Natural Resources 260,0 10,0 15 2017 Vietnam KfW Renewable Energy Development Facility “GET FiT” Vietnam Energy 248,0 14,0 16 2018 Cambodia AFD Rehabilitation & extension of Calmette Hospital as the national reference hospital Health and social protection 30,0 5,0 26 17 2018 Cambodia AFD Modernisation and Extension of National Grid Energy Efficiency 106,0 6,0 18 2018 Vietnam AFD AFD Upgrading Fishing Port Project in Da Nang, Khanh Hoa, Kien Giang and Ba Ria Vung Tau Natural resources/Fisheries 135,0 15,0 TBC 19 2018 Vietnam AFD AFD Improving resilience of urban water infrastructure to climate change effects in four Provinces of North-Center Vietnam Water/Urban development 147,0 TBC 10,0 20 2018 Vietnam AFD AFD Danang City Development Investment Fund (DDIF) Urban development 35,0 5,0 21 2017 (or 2018) Sri Lanka AFD AFD Mundeni Aru Basin Development ***Agriculture*** and Water Resources Management 112,0 10,0 2,0 22 2018-2019 Vietnam AFD AFD Integrated water resources management Natural resources/ Resilience Climate change 105,0 To be specified 10,0 23 2019-2020 Mongolia EBRD Support for Mongolian Economic Diversification through SME Access to Finance - Phase 2 SME Development 102,3 5,3 4,0 24 2017 Vietnam KfW KfW/EIB/ADB Extension of HCMC Metro Line 2 Transport 1.400,0 6,0

**Load-Date:** September 29, 2017

**End of Document**



[***-ALLIANCE GROWERS PARTNERS WITH GERMAN LICENSED PRODUCER APPLICANT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NRH-3C91-F0K1-N4S7-00000-00&context=1516831)

ENP Newswire

June 8, 2017 Thursday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 1437 words

**Body**

Vancouver, B.C. - Alliance Growers Corp. (CSE: ACG; FWB: 1LA; WKN: A2DFYX) ('Alliance Growers' or the 'Company') announces that it has entered into an agreement with a German licensed ***producer*** applicant, Plantisaneco Gmbh ('Plantisaneco'), whereby Alliance Growers will earn a significant percentage of the equity in Plantisaneco in return for providing certain services and expertise.

No investment is required for the Company to earn its interest in Plantisaneco, and this ***strategic*** partnership contemplates securing long term tissue culture plantlet sale contracts for the Company's Cannabis Botany Centre.

Alliance Growers' participation has been included in Plantisaneco's application filed with the Federal Institute for Drugs and Medical Devices in Germany on June 6, 2017. Approximately 25 to 30 applications were submitted through a tender process whereby each applicant is allowed to apply for up to seven of the ten license contracts being awarded. Successful applicants will be chosen based on the quality of the growers, their experience in the industry, an excellent business ***plan***, and adequate funding to support the implementation of the ***plan***. Plantisaneco applied for seven of the ten licenses to maximize its chances of success. They have organized an efficient funding ***program*** with a high probability of success through a three stage process beginning with angel investors, followed by well researched grants and ultimately loans from German banking institutions who support this industry.

Alliance Growers is building a Global Cannabis company using a long-term strategy to create a strong company with consistent and growing cash flow with the least amount of regulatory and general business restrictions. The arrangement with Plantisaneco augments the Company's stated intent on the development of ***strategic*** partnerships with Licensed ***Producers*** and Licensed ***Producer*** applicants. Alliance Growers' and partner growers like Canwe, Plantisaneco and other growers will form business synergies with the goal of creating a strong presence in the fast-growing global medical cannabis space, including the purchase and sale between the parties of live cannabis plants, tissue culture plantlets and other cannabis growers' products and services.

Commenting on Alliances Growers' new partnership, Dennis Petke, Alliance Growers' President and CEO commented, 'We have been working diligently to develop significant and valuable ***strategic*** partnerships with existing Licensed Growers and Licensed Grower Applicants in connection with the Cannabis Botany Centre. We are exceptionally pleased with the alliance with Plantisaneco as this is our initial 'foot in the door' to the European market which is expected to be extremely significant in the years to come. Alliance is building relationships with the investment community simultaneously through a Class A preferred share offering which is expected to be very well received especially in light of this arrangement. Companies like Plantisaneco are a perfect fit with our long-term strategy for Alliance Growers to become a dominant player in the Cannabis space and successfully build strong shareholder value'.

About Plantisaneco

Plantisaneco is currently a license applicant under the Federal Institute for Drugs and Medical Devices, in the Federal State of Germany. After the newly passed law for the prescription of medical cannabis and the loosening of the regulations that classified those people that are suffering as eligible, the estimated consumer market will grow rapidly to over 800,000 people within the next few years. To fill the demand, the federal agencies are seeking potential growers who will provide an excellent, high quality product. To benefit from the market opening, Plantisaneco is in the application process to obtain approval for growing licenses of up to 1400 KG of medical cannabis annually.

About Alliance Growers

Alliance Growers Corp is a diversified cannabis company driven by the Company's 'Four Pillars' Organization ***Plan*** - Cannabis Botany Centre, ***Strategic*** ACMPR Investments, CBD Oil Supply and Distribution, and Research and Development.

Alliance Growers has executed an agreement with Botanical Research In Motion International Inc., for a Canada Exclusive License to jointly develop and operate a 40,000 square foot facility to be the first of its kind in Western Canada to house a DNA Botany lab, extraction facility and Tissue Culture Plantlet Production facility to service the Cannabis market and ***agriculture*** market in general. The proposed Cannabis Botany Centre will grow Cannabis plantlets using proprietary tissue culture propagation, specifically the 'Chibafreen Invitro Plant Production System', which assures consistent composition and purity of each plantlet for the growers.

Further, Alliance Growers has been negotiating to obtain other exclusive Canadian distribution agreements for certain proprietary products for support of the Cannabis growing industry in addition to possible partnerships with Licensed ***Producer*** Applicants at various stages in the Health Canada License process.

If you would like to be added to Alliance Growers' news distribution list, please send your email address to [*newsletter@alliancegrowers.com*](mailto:newsletter@alliancegrowers.com)

Contact:

Dennis Petke

Tel: 778-331-4266

Email: [*DennisPetke@alliancegrowers.com*](mailto:DennisPetke@alliancegrowers.com)

FORWARD LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, the news release contains forward-looking statements and information relating to Company's corporate strategy. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company, including, without limitation, the Company's ability to carry out its business ***plan***. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and ***plans*** of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the Company's ability to identify and complete additional suitable acquisitions to further the Company's growth as well as risks associated with the medical marijuana industry in general, such as operational risks in development and production delays or changes in ***plans*** with respect to development projects or capital expenditures; the uncertainty of the capital markets; the uncertainty of receiving the required licenses, production, costs and expenses; health, safety and environmental risks; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of the potential market; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws and regulated regulations. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** June 8, 2017

**End of Document**



[***Agricultural developments set to stimulate growth in Peru***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-72XK-00000-00&context=1516831)

Oxford Business Group: Articles

June 2017

Copyright 2017 Oxford Business Group All Rights Reserved



**Length:** 3313 words

**Body**

Increased investment and the expansion of irrigated land along the Peruvian coast has ensured the continued development of large-scale industrial ***agriculture*** in Peru for more than two decades. After introducing dozens of new products to Peruvian soils, local agri-business firms have successfully expanded and diversified the country's ***agricultural*** export base. Today, Peru features an established but expanding ***agriculture***-for-export model, the success of which can be seen in the emergence of ***agricultural*** exports as the second-highest source of foreign currency for the nation, behind only mining.

While ***agriculture*** for export has moved from strength to strength, some disparities in productivity and profitability between the coast and the Andean and jungle regions have posed a challenge for successive governments. To address this, the government of President Pedro Pablo Kuczynski, in office since July 2016, has launched AgroPróspero, a development ***plan*** that is expected to stimulate growth, double ***agricultural*** exports and reduce rural poverty by the end of the current presidential term in 2021.

Despite the challenges, the sector seems poised for continued growth, supported by positive external market conditions and the continued expansion of irrigated land for industrial ***agriculture***.

**Success Story**

The desert planes between the valleys on the Peruvian coast remained uncultivated until the 1990s, when the creation of large reservoirs gave the region a reliable water supply. In 1993 the government reversed legislation tied to the previous agrarian reform, allowing the private acquisition of land and removing size restrictions on holdings. Public investment in large-scale irrigation infrastructure projects commenced and plots, typically a minimum of 500-1000 ha, began to be auctioned off with minimum investment requirements.

In 2000 the Law for the Promotion of Investment in ***Agriculture*** was introduced, establishing a number of benefits, including a 15% income tax, nearly half the rate applied to other sectors. The measures encouraged private investment in industrial ***agriculture*** and paved the way for the establishment of Peru's very own export-oriented ***agricultural*** model. To date, more than 200,000 ha of land has been irrigated under public schemes, with around 30 companies holding land packages larger than 2500 ha. The country's agro-export industry counts 161,000 ha of planted surface, excluding coffee and cacao fields, with more than 400 active firms.

Highly advanced practices pushed productivity and profitability rates on the coast significantly above the national average, while the introduction of new products to Peruvian soils diversified the export base. According to the Ministry of ***Agriculture*** and Irrigation (Ministerio de Agricultura y Riego, MINAGRI), since 2006 non-traditional exports have increased by an annual average of 16%, with annual production volumes of key non-traditional crops - including avocado, blueberries, cacao, quinoa, grapes and olives - doubling in the same period.

By 2015 the country had emerged as the leading ***producer*** and exporter of asparagus, quinoa and maca, the third-largest exporter of avocado and artichoke, and ranked among the top-10 global suppliers of grapes, peppers, beans and mangoes, according to MINAGRI. Peru's ***agricultural*** production value reached a peak of PEN32.2bn ($9.5bn) in 2016, up from PEN20.2bn ($6bn) in 2010.

**Recent Performance**

While the sector experienced average annual growth of 3.2% between 2011 and 2015, its performance remains vulnerable to climatic changes and other risks.

After growth of 5.9% in 2012, a combination of adverse climatic effects and coffee leaf rust - a fungus which affects coffee, the country's main traditional export - led to significant declines in production volumes of key crops, causing growth to slow to 1.5% in 2013. The sector began recovering in 2014, with growth reaching 1.9% and accelerating to 2.8% by 2015, as global demand and international prices for select exports increased.

By the end of 2016, however, growth had slipped to 1.8% again, below the national growth rate of 3.9% for the year, after the sector felt the impact of El Niño during the first months of the year. ***Agricultural*** production, which accounts for the largest share of the sector's value at 70%, rose by a negligible 0.6%, driven by production increases in grapes (15%), coffee (11%), avocados (20%), cacao (17%), paprika (45%), olives (46%), mandarins (13%) and artichokes (21%). Nonetheless, a number of crops registered significant production declines, including cotton (35%), quinoa (27%) and sugar cane (4%).

In contrast, the livestock segment, which accounts for roughly 30% of the sector's total value, expanded by 3.6% in 2016, driven by important increases in the production of poultry, eggs and pork.

While ***agriculture*** continues to play an important socio-economic role, providing employment to roughly 25% of the population, its contribution to GDP has progressively declined from 7% in 2000 to 5.97% in 2016, according to data from the National Institute of Statistics and Informatics.

**Exports**

The agro-export industry in the country, however, has gone from strength to strength in recent years. According to MINAGRI, ***agricultural*** exports increased steadily from just under $3.4bn in 2010 to a record of $5.79bn in 2016.

The increase helped cement the sector's status as the second-most important source of foreign currency at the national level, accounting for 10% of total exports. According to MINAGRI, agro-export revenues rose by 9.6% in 2016, supported by increased demand from key export markets Colombia (37%), Spain (34%), Belgium (24%) and the Netherlands (16%). Non-traditional exports, which make up 85% of total ***agricultural*** exports, increased by 7% to over $4.9bn, a noticeable slowdown after double-digit growth in recent years. Nevertheless, export revenues of blueberries increased by 148% y-o-y, while revenues for fresh avocados rose by 30.5%.

Traditional exports accounted for 15% of ***agricultural*** exports in 2016, having increased by 27% to $874m. The improved performance reflected higher revenues for unroasted coffee, which rose by 31% to surpass $750m. Though the increase is significant, that figure remains well below a peak of $1.67bn in coffee revenues in 2011, when high domestic production coincided with high international prices.

**Key Crops**

Peruvian coffee ***producers*** continue to be affected by low international prices and coffee rust disease, both of which have had a negative impact on production and export volumes.

Nonetheless, ongoing efforts could see the industry recover in the coming years. A new sector development ***plan*** for the 2016-18 period is set to renovate around 80,000 ha of coffee plantations and significant increase local consumption by some 10%, among other things. In addition, Peru has a significant opportunity to solidify its position as a major global supplier of speciality coffee. According to the National Coffee Board, Peru ranks among the top 10 ***producers*** and exporters of the product, with around 120,000 ha of certified speciality coffee.

Among non-traditional products, cultivated surface for recently introduced crops is expanding steadily as these rise to the top of the export list. The blueberry is the most recent crop to experience exponential growth, with production increasing 12-fold since 2013 to an estimated 20,000 tonnes. Export revenues for the fruit reached $237.1m in 2016, according to MINAGRI, up from $95.8m the previous year.

Meanwhile, production of avocados and grapes increased by 20% and 15%, respectively. Grapes remained the top-earning export fruit, with revenues of $646.3m, while avocado exports reached $396m after a 30.5% y-o-y increase.

After expanding production of quinoa from the highlands to the coastal region, Peru became the leading exporter of this superfood in 2015, with exports reaching 42,000 tonnes and $143m in revenues. However, external market conditions have since deteriorated. An increase in the global supply of quinoa was met with slower growth in demand in the US and the EU, leading average prices to fall by 36% and 3.3% in 2015 and 2016, respectively.

By December 2016 the price of quinoa had fallen to $2.34 per kg, according to Agrodataperu, from a peak of over $6 per kg in January 2014. Despite a rise in exports by weight in 2016, export revenues fell to $103m, down from $143m the previous year.

**Fresh Approach**

After assuming office in July 2016, Kuczynski's government launched AgroPróspero, the sector's new five-year development ***programme***, which aims to achieve annual growth of over 4%, double export revenues to $10bn and halve rural poverty by 2021. "The goal is to achieve a prosperous and inclusive ***agricultural*** sector, increasing productivity, competitiveness and profitability, with more jobs, better income distribution, poverty reduction and greater food security for Peruvians; in a context of equity and the sustainable development of natural resources," José Manuel Hernández Calderón, minister of ***agriculture*** and irrigation, said during the presentation of the budget for the 2017 fiscal year. The ***agriculture*** sector received an allocation of more than PEN2bn ($592.8m) for the 2017 fiscal year, an increase of 0.4% from the previous year.

**Key *Programmes***

In a bid to narrow the technological gap between industrial and rural ***agriculture***, MINAGRI recently introduced two new ***programmes***. Sierra Azul, launched in September 2016, aims to rehabilitate and build irrigation infrastructure to support small farmers in the Andes.

The ***programme*** aims to irrigate 5000 sq km of land and rehabilitate 1000 sq km of ***agricultural*** terraces, known locally as andenes - many of which date back to the ancient Inca civilisation - within five years. Some PEN300m ($88.9m) was allocated for the first stage of the ***programme***, which covers 11 Andean regions, including Puno, Cusco, Ayacucho, Huancavelica and Apurímac. The ministry's second key ***programme*** is Serviagro, a platform for the provision of a range of services - including technical assistance and training - for small-scale farmers. Launched in January 2017, the ***programme*** is expected to benefit more than 500,000 ***producers*** in the next five years, according to Hernández. With an initial budget of PEN260m ($77m) for 2017, the platform is expected to assist over 280,000 ***producers*** and contribute to the integration of some 55 new ***producers*** into the Sierra y Selva Exportadora ***programme***.

A state-run platform, Sierra y Selva Exportadora works to push Andean and jungle exports up the value chain by helping to integrate small ***producers*** in the country into national and international markets.

**Livestock & Forestry**

To stimulate growth in the livestock segment, the General Directorate of Livestock was created to help oversee the sector's development and implementation of the new National Pasture ***Plan***. The latter aims to seed 150,000 ha of cultivated pastures by 2021, a measure expected to significantly increase productivity by roughly doubling the number of cattle to graze per hectare. The government hopes the new measures will enable the sector - on which 150,000 families depend - to achieve annual growth of 6% by 2021.

Kuczynski's government is also set to continue his predecessor's efforts to combat deforestation and encourage the sustainable and formal development of the country's extensive forestry resources. To this end, in early 2017 the government established the Technical Board of Forest Development, a working group tasked with developing a ***strategic*** action ***plan***. New measures are expected to increase forestry exports nearly 10-fold to $3bn by 2021, along with the reforestation of 3.2m ha of forested lands.

Forestry remains one of Peru's most promising industries, with the potential to contribute up to $5bn to the country's GDP annually, according to authorities. With 68m ha of forested land, Peru has the world's ninth-largest forest resource, and the second-largest in Latin America, after Brazil. Nonetheless, only 2m ha out of an estimated 10m-12m ha of Amazon rainforest are exploited by commercial forestry.

The industry also accounts for a small share of GDP, currently at 1%. Growth in wood exports has remained subdued in recent years. According to ADEX, wood exports reached an estimated $125m in 2016, slightly up from $121m in 2013.

**Innovation**

The government will also be sharpening its focus on innovation, with ***plans*** to increase national production of improved seeds through the National Institute for ***Agricultural*** Innovation.

Authorities hope that this will help increase the use of improved seeds, particularly among small-scale farmers, from 12% currently to 50% by 2021, which many believe will have a noticeable impact on productivity. As part of the ongoing effort to increase preservation of the country's biodiversity, the government has also launched the National Germplasm Bank, which will identify, register and preserve various native and exotic plants. "There is growing focus worldwide on achieving high levels of food security. Research and development (R&D) is key for this. Peru's agro companies are keeping up with this global trend and investing in R&D," Rubén Carrasco, general manager of Farmagro, told OBG.

**Lagging Behind**

The sector's new development ***plan*** is designed to respond to the significant disparity in competitiveness at the national level. While the sector has been transformed by industrial ***agriculture*** on the coast, development in the highlands and jungle areas continues to lag significantly behind, hindered by a lack of competitiveness stemming from fragmentation, lack of technology and logistical challenges. Though these regions' contribution to the country's export base remains modest, they offer a number of resources with significant export potential, in particular wood, palm oil and superfoods such as Andean grains and nuts (see analysis). According to MINAGRI, the majority of the country's farming community of 2.5m is made up of small farmers, 90% of whom hold less than 5 ha. The percentage of farmers integrated into the formal economy is also low, at an estimated 30%. This, coupled with the lack of land titles in many cases, has made obtaining access to credit difficult.

**Financing**

At an estimated 25% currently, credit penetration remains low, though it offers significant room for growth. According to Agrobanco, the public lending institution for the ***agriculture*** sector, of the 2.2m small farmers in Peru, some 1.1m potentially qualify for a loan. Data from Superintendency of Banks and Insurance shows that by the end of 2016 multi-service banks accounted for 67% of credit to the sector, followed by Agrobanco (17%), municipal banks (9%) and financial agencies (5%).

As for Agrobanco, the institution has experienced considerable growth in recent years. The total value of direct credit issued by Agrobanco increased from PEN366m ($108.5m) in December 2012 to PEN1.6bn ($474.2m) by the end of 2016.

To facilitate access to credit for small ***producers***, the government ***plans*** to strengthen Agrobanco's role with a PEN300m ($88.9m) injection of funds, a measure that is expected to help reduce interest rates for loans, which currently stand at 18%. In the 2017 fiscal year the government is also allocating PEN184m ($54.5m) in credit to the sector through AgroPeru, MINAGRI's special guarantee fund, which will benefit approximately 30,000 ***producers***.

**Risk Management**

Moreover, MINAGRI is working to expand Agrobanco's role to enable the institution to manage insurance funds, with a view to have 550,296 ha of ***agricultural*** land covered and 229,290 ***producers*** insured during the 2017 fiscal year. Given the threat of climatic change seen in recent years, insuring crops is increasingly important. Peru is particularly vulnerable to the threat of El Niño, which is known to cause torrential rains in the north and drought in the south of the country. In July 2015 the government declared a state of emergency in 14 regions in preparation for the arrival of a moderate-to-strong El Niño event.

According to Juan Manuel Benites, the former minister of ***agriculture*** and irrigation, MINAGRI took 603 preventive measures in 2015 to mitigate the effects of the phenomenon in the 14 regions, representing an investment of PEN544.5m ($161.4m). These efforts helped ensure only 1% of crops were affected from the loss of 40,000 ha.

Though the weather phenomenon was weaker than expected in 2016, it still impacted production of key crops, including quinoa, potatoes and mango. In early 2017 a new alert was issued, warning of a possible, moderate El Niño event. The last strong El Niño occurrence was in 1997-98, an event in which the country sustained catastrophic damage to its infrastructure and ***agriculture*** and fisheries sectors.

**Irrigated Land**

Ongoing large-scale irrigation projects on the Peruvian coast are set to expand irrigated land by 350,000 ha in the medium term, supporting the expansion of the country's export base. The Olmos Tinajones project in the Lambayeque region was completed in 2014, bringing irrigation to an additional 40,000 ha. As of early 2017 more than 15,000 ha of those had entered into production. Further north in La Libertad, the third phase of the Chavimochic project will bring irrigation to an extra 63,000 ha in the Chicama Valley, in addition to the 46,000 ha irrigated under the first and second phases of the project. A $715m investment, it could nonetheless face delays. According to local media, as of March 2017 the project was on hold, as authorities prepared to re-award the contract following the exit from the consortium of Brazilian construction company Odebrecht, which is currently the subject of a major bribing investigation.

In the southern department of Arequipa the second phase of the Majes-Siguas project will add another 38,500 ha of irrigated land, with a total investment of $550m. Two other projects - Puyango Tumbes in Tumbes and Alto Piura in Piura - will add a further 41,600 ha and 19,000 ha, respectively.

"In order to tackle the challenges affecting water resources, the National Policy and Strategy for Water Resources was established to improve the quantity, quality, opportunity and culture management of water, as well as the impact of climate on water resources by 2035," Juan Carlos Sevilla, former director of MINAGRI's National Water Authority, told OBG.

**Export Markets**

Ongoing efforts to reach new markets will be a key factor in Peru meeting its goal of doubling exports by 2021. The country has continued to make inroads to meet phytosanitary requirements and gain access to new export markets in recent years, particularly in Latin America and Asia. Recent advances in this area include gaining entry for quinoa exports to India, grapes and mangoes to South Korea, avocado and corn to Chile, avocado to Japan and grapes to New Zealand (see analysis).

Peruvian agro-exports reached 142 countries in 2016, according to MINAGRI. The US accounted for the largest share of exports with 30.7%, followed by the Netherlands (13.7%), Spain (6%), Germany (5.3%), the UK (5.1%), Ecuador (4%), Colombia (3%), Belgium (2.7%), Canada (2.6%), Chile (2.5%) and France (1.9%). Together, these 11 countries accounted for some 77.5% of the exported total.

**Outlook**

Despite the effects of El Niño in 2017, ***agriculture***'s prospects remain positive. According to MINAGRI projections, the sector is expected to post average growth of 3-3.5% in 2017, with exports projected to increase by 20-25% to reach $6bn.

In the longer term, the ongoing public ***programmes*** to assist small-scale farming in Peru should help to ensure that more smaller ***producers*** are integrated into the attractive export industry, while public-private initiatives to develop Peru's significant forestry resources could see this industry play an increasingly important role in the future of the country's economy.

**Load-Date:** March 12, 2020

**End of Document**



[***Washington: PROVIDING FOR CONSIDERATION OF H.R 3017, BROWNFIELDS ENHANCEMENT, ECONOMIC REDEVELOPMENT, AND REAUTHORIZATION ACT OF 2017, AND PROVIDING FOR CONSIDERATION OF H.R 3905, MINNESOTA'S ECONOMIC RIGHTS IN THE SUPERIOR NATIONAL FOREST ACT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R36-J7R1-JDG9-Y3DS-00000-00&context=1516831)

Impact News Service

November 30, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 18069 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Ms. CHENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 631 and ask for its immediate consideration. The Clerk read the resolution, as follows: H. Res. 631 Resolved, That upon adoption of this resolution it shall be in order to consider in the House the bill (H.R 3017) to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to reauthorize and improve the brownfields ***program***, and for other purposes. All points of order against consideration of the bill are waived.

An amendment in the nature of a substitute consisting of the text of Rules Committee Print 115-40 shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce; and (2) one motion to recommit with or without instructions. Sec. 2. Upon adoption of this resolution it shall be in order to consider in the House the bill (H.R 3905) to require congressional approval of any mineral withdrawal or monument designation involving the National Forest System lands in the State of Minnesota, to provide for the renewal of certain mineral leases in such lands, and for other purposes. All points of order against consideration of the bill are waived. An amendment in the nature of a substitute consisting of the text of Rules Committee Print 115-41 shall be considered as adopted. The bill, as amended, shall be considered as read. All points of order against provisions in the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto, to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Natural Resources; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by the Member designated in the report, which shall be in order without ***intervention*** of any point of order, shall be considered as read, shall be separately debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for a division of the question; and (3) one motion to recommit with or without instructions. The SPEAKER pro tempore. The gentlewoman from Wyoming is recognized for 1 hour. Ms. CHENEY. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. McGovern), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only. {time} 1245 General Leave Ms. CHENEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks. The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Wyoming? There was no objection. Ms. CHENEY. Mr. Speaker, I rise in support of House Resolution 631, which provides a closed rule for consideration of H.R 3017, Brownfields Enhancement, Economic Redevelopment, and Reauthorization Act of 2017; and a structured rule for H.R 3905, Minnesota's Economic Rights in the Superior National Forest Act. Mr. Speaker, brownfield refers normally to abandoned or closed commercial or industrial properties that may be contaminated because of their prior use. These sites often represent a tremendous amount of untapped economic potential. However, developing that potential is complicated by the presence of hazardous substances or contaminants. The Environmental Protection Agency has estimated that there are more than 50,000 brownfields in the United States. The brownfields ***program*** has enjoyed broad bipartisan support and has been critical in converting these vacant sites into tax-generating properties and, eventually, well-paying jobs for American citizens. As of May 1, 2017, the ***program*** has assessed 26,722 sites, and they have leveraged over 124,760 jobs. On average, Mr. Speaker, over $16 is leveraged for every EPA brownfields dollar spent, and 8.5 jobs are leveraged per $100,000 of EPA brownfields funds. States all over the country have benefited from this grant ***program***. In my home State of Wyoming, we put brownfield grants to use in cities like Casper, Cheyenne, Sheridan, Evanston, Kemmerer, Laramie, and Dubois. Brownfield sites have been revitalized using these funds in places like the Minute Maid Park in Houston, Texas; development in the neighborhoods around Danville, Illinois; and the Grijalva Park at Santiago Creek in Orange, California. The brownfields ***program*** has been expired, Mr. Speaker, since 2006, and it is high time we reauthorize this critically important grant ***program***. The brownfields ***program*** has enabled local communities to clean up and repurpose vacated sites, utilizing them for meaningful economic development, while responsibly cleaning up hazardous sites. This is an important step in maintaining and improving what has been a demonstrably effective ***program***. Mr. Speaker, the rule we consider today also provides for consideration of a very important bill, H.R 3905, Minnesota's Economic Rights in the Superior National Forest Act, which was introduced by my colleague, the gentleman from Minnesota (Mr. Emmer). H.R 3905 requires congressional approval of any mineral withdrawal or monument designation involving the National Forest System lands in the State of Minnesota and provides for the renewal of certain mineral leases in those lands. This is necessary, Mr. Speaker, because in the final hours of the Obama administration, the administration withdrew hundreds of thousands of acres in Minnesota from mineral development and improperly terminated two Federal mineral leases. The effect of this decision halted potential mining projects in Minnesota, robbing the region of 650 direct and 1,300 indirect jobs, as well as the tax revenue the mining operation would bring. Mining jobs, Mr. Speaker, are good, high-paying jobs. The average mining wage in Minnesota is roughly $25,000 a year higher than the average wage in the State. Coming from a State where we mine more coal than any State in the Nation, I understand and appreciate the economic development mining projects can bring to a region. We also understand the burden that can be imposed by working with the Federal Government on these projects in Wyoming. Roughly half my State, Mr. Speaker, is comprised of Federal lands. Receiving the appropriate authorizations to drill or mine on these lands can be a lengthy and cumbersome process that delays projects for many years. Ultimately, Mr. Speaker, we must improve our Federal regulatory process so we can better harness the vast natural resources we have in our country, while still protecting and conserving our environment. Therefore, Mr. Speaker, I encourage support for the rule for these important bills, and I reserve the balance of my time. Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentlewoman from Wyoming for yielding me the customary 30 minutes. (Mr. McGOVERN asked and was given permission to revise and extend his remarks.) Mr. McGOVERN. Mr. Speaker, today's rule provides for the consideration of two bills. The first piece of legislation, H.R 3017, is a bipartisan compromise to extend the EPA's brownfields ***program***. The successful brownfields ***program*** assists communities across this country in cleaning up contaminated sites to reduce pollution and health risks and spur economic development. Although funding for this ***program*** has enjoyed broad support over the years, its authorization lapsed in 2006; 11 years ago. It is certainly long past time for this important ***program*** to be reauthorized. I appreciate the work of Republicans and Democrats on both the Energy and Commerce and Transportation and Infrastructure Committees in coming together to ***produce*** this legislation. Mr. Speaker, this is how the process is supposed to work. There was a hearing, and there was a markup. I should [[Page H9480]] say, for the Record, the majority could have issued an open rule, instead of a closed rule. But I am not even going to criticize that today, Mr. Speaker, because experts on this issue came together to negotiate it in a bipartisan manner, and the result is a good piece of legislation that I look forward to voting for later this week. I commend Mr. McKinley, Mr. Tonko, Mr. Pallone, and all those who worked together, and I just want to say for the Record, as one who routinely gets up here and criticizes the majority for issuing closed rules and structured rules all the time, I do so not just as a knee- jerk reaction to what they ***produce*** in the Rules Committee. I do it because usually they do closed rules and structured rules to basically stifle a deliberative process. They do it to shut off debate and to shut out other people's opinions. Quite frankly, the majority's record on rules is abysmal. In this case, what we are doing is bringing forward something that represents a bipartisan process. I wish this wasn't an anomaly. I wish that the majority would understand that, in the House of Representatives, the views of Democrats are just as important as the views of Republicans. If you want to get things done, you need to come together in the spirit of compromise and work together for the good of the American people, not just for the good of one political party, not just so you can issue a press release, not just so you can play gotcha games, but actually ***produce*** things that are meaningful. If the Republican leadership would drop their all-or-nothing approach to governing more often, support genuine bipartisan negotiations and compromise, and open up the process on all pieces of legislation, both minor and substantial, we might be able to get something done around here. Maybe we could have more than 12 bills of any sort of real significance signed into law. This rule also brings to the floor legislation, I am sad to say, that would do irreparable harm to our federally protected land by allowing a foreign company the ability to use a half-century-old lease to mine right next door to the Boundary Waters Canoe Area Wilderness. H.R 3905 would allow a Chilean mining company, which is facing tens of millions of dollars in fines from the Chilean Government for their failure to protect nearby water resources, the ability to mine just upstream of pristine U.S -protected land. This is all based on a 50-year-old lease--a lease that didn't go through any environmental review because NEPA didn't exist yet. There are Members of this Chamber who weren't even born when this lease was signed. My colleagues in the majority will claim that this bill will help create jobs, but what about the 22,000 jobs that the local protected land already supports? What will happen to those jobs when the water is so polluted that no one can visit the recreational area around the mine? The truth is, this isn't about jobs. It is about helping a few rich owners of mining companies line their pockets at the expense of the environment. In fact, the recipient of this Republican handout is a subsidiary of a Chilean company, Antofagasta, which is controlled by Chilean billionaire Andronico Luksic Craig. And get this: he just happens to be the landlord of Ivanka Trump and Jared Kushner, President Trump's daughter and son-in-law and senior advisers to the Trump White House. You cannot make this stuff up. This is part of a pattern of sketchy deals and questionable business contacts involving the President and his family and their closest advisers. Earlier this month, we learned that President Trump and his family made millions through a hotel in Panama financed by Colombian drug cartels and the Russian Mafia. We still don't even know how these new deals will boost President Trump's income or how his family profits off of the Presidency, because we are 312 days into his Presidency, and we still haven't seen his tax returns. Imagine if this were Hillary Clinton. Imagine if this were Barack Obama. Imagine the screams on the other side of the aisle demanding transparency and an open process. But when it comes to covering up all these sketchy deals on behalf of this President of the United States, there is silence. President Trump promised to drain the swamp, but, instead, he has created a cesspool. There are so many conflicts of interest, this administration is on a collision course with corruption. Mr. Speaker, we have only 6 legislative days left before the government runs out of money, but the Speaker of the House thinks another corporate handout, this time to Jared Kushner and Ivanka Trump's landlord, is the most pressing issue that needs to be resolved in Congress this week. If the Speaker wants some suggestions as things we ought to focus on this week, I know Democrats in this Chamber have a few. I can give you an example. Democrats think we should be debating a funding bill to avert the coming shutdown on December 8, when the temporary spending bill expires. Democrats want to debate and pass the Dream Act, ending the turmoil this President has caused by upending the lives of 800,000 young immigrant DREAMers and their families. Democrats want to extend the Children's Health Insurance ***Program***, known as CHIP, and community health centers, whose authorization expired 2 months ago. Democrats think we ought to debate flood insurance reauthorization, which expires on December 8. Democrats want to pass additional hurricane relief to help those who are still recovering from devastating hurricanes in Texas, Florida, and Puerto Rico. Democrats want to address funding for the Veterans Choice ***Program***, which is set to run out of money before the end of the year. But instead, here we are, considering yet another ridiculous, extreme antienvironment bill. Mr. Speaker, my friends on the other side of the aisle love talking about returning this country to the way it used to be. I have seen the Make America Great Again stickers on many of their cars. I can think of no pastime more important or more significant to our national heritage and identity than our wilderness and protected areas. My friends and colleagues who have spent time in the Boundary Waters tell me how stunning it is. They say it is one of the most beautiful places in our country. And we are going to risk polluting this national treasure with copper-sulfide acid drainage running into the streams that feed the Boundary Waters? Worse yet, this bill makes these mining leases impossible to ever overturn, even should the Bureau of Land Management conclude its environmental assessment and rule against further mining in this protected national forest. This is a slippery slope. If we continue to allow corporations to pillage our federally protected wilderness areas, we are opening the door to irreversible damage. What is next? Clear-cutting in Yellowstone Forest? Oil drilling off the coast of Acadia National Park? Mr. Speaker, I beg my Republican friends to drop this assault on our public lands and urge the leadership of this House to bring up the urgent bills and priorities that we need to deal with before adjourning in less than 3 weeks' time. Mr. Speaker, I urge my colleagues to oppose this rule and to oppose efforts that will further degrade our natural resources. Mr. Speaker, I reserve the balance of my time. Ms. CHENEY. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I think it is important to be clear about exactly what H.R 3905 does. H.R 3905 does not eliminate environmental requirements. In fact, it will only allow mining as long as those strict environmental requirements are met. What it does do is allow Minnesota itself to advance its State and local economies. I applaud my colleague from Massachusetts' commitment and dedication to working together to try and come up with solutions about things like, for example, funding the government. I will just point out that if Democrats were, in fact, so dedicated to working with Republicans to fund the government and to begin to come to a solution, to come to an agreement, perhaps [[Page H9481]] their leadership would have shown up yesterday at the White House to have meetings and discussions about funding the government. It is awfully hard to claim that you are very dedicated and committed to that concept if you don't have leaders who show up to the key meetings. I would also point out, Mr. Speaker, my colleague has called our bills and our process here ridiculous and extreme. {time} 1300 I can't help but note that what is truly ridiculous and extreme, Mr. Speaker, are the massive increases in ObamaCare premiums that my constituents all across Wyoming are now facing. My constituents are now facing a situation, because of ObamaCare, because of this health ***plan*** that was supposed to provide coverage for everybody, low-cost coverage for everybody, that was supposed to guarantee access, guarantee if you liked your doctor, you could keep him or her, guarantee that you would be able to afford healthcare, my constituents are now facing premiums that will bankrupt them. They are now receiving bills that demonstrate that their premiums next year, for example, for a retired married couple of two, the lowest amount that they can pay under the ObamaCare Bronze ***Plan*** is $2,700 a month. Now, that is absolutely unsustainable, and that is what is ridiculous and extreme. What we are doing today is making sure that we pass legislation that reauthorizes the important brownfields ***program*** that restores rights to the State of Minnesota. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. McKinley), the sponsor of H.R 3017. Mr. McKINLEY. Mr. Speaker, I rise today in support of the rule on H.R 3017, the Brownfields Enhancement, Economic Redevelopment and Reauthorization Act of 2017. I am proud to be the sponsor of this bill, which has broad bipartisan support, as you have been hearing about. It will reauthorize the very successful EPA ***program***, brownfields ***program***, for the first time since it was enacted. Like my colleague Mr. Woodall said last night in the Rules Committee, even though the brownfields site ***program*** is something that we all support, and brownfields is something we all have in our districts, working out the details of legislation like this is not easy, but the fact that we are here today with a compromise bipartisan bill and no amendment speaks volumes of how much support there is for H.R 3017 and the brownfields ***program***. There is no dispute that the EPA brownfields ***program*** has been a success. As you just heard from the gentlewoman from Wyoming, the ***program*** has resulted in over 27,000 properties being reassessed to start them on this road to being cleaned up, and it has resulted in over 129,000 new jobs. Over the life of the ***program***, the Federal dollars invested have resulted in over $25 billion in leveraged private investment. This is a ***program*** we all should support, and we all should encourage our colleagues on the Appropriations Committee to fully fund this ***program*** in the future. I have confidence that H.R 3017 will make the brownfields ***program*** even more successful, and I urge my colleagues to be in support of the rule and to vote for the bill on final passage. I want to thank my committee chairman, John Shimkus, for his work and the staff's work in bringing this bill together in a fine, compromised fashion. Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I would like to just respond to my colleague from Wyoming, you know, when she raised the issue of why our Democratic leaders didn't show up to the meeting at the White House. Maybe she didn't catch the President's tweet in which the President made it very clear he didn't see a deal. I am glad our leaders didn't show up because they are not props, and we in the minority are not props either to be rolled out, to give the appearance of bipartisanship or give the appearance that somehow you are working with us when, in fact, you are not. The President showed his hand. He had no interest in a deal, no interest in working with us. And I would say that is one of the problems in this House of Representatives, that the reason why we are not more productive in getting things done and ***producing*** real legislation to help the American people is because there is no bipartisanship, very little. I made one exception to the issue on this brownfields legislation, but on the big bills, nothing. The gentlewoman brought up the Affordable Care Act. You know, what was her solution to the Affordable Care Act? What was the Republican majority's solution to making the Affordable Care Act better? I mean, bringing a bill to the floor under the most closed process that you can possibly imagine, a bill that would throw 23 million Americans off of health insurance, what are my friends thinking? When people talk about healthcare reform and improving the Affordable Care Act, they talk about lowering prices; they talk about more accessibility; they talk about more people getting coverage. What the Republicans brought to the floor was a bill that would throw 23 million Americans off of health insurance. That is their solution. That would take away essential benefits protection for people who desperately need health insurance to deal with this opiate crisis and a whole bunch of other things. So we don't want any lectures about what is extreme and what is ridiculous in this House of Representatives. The way the majority conducts business in this House is extreme and ridiculous. The legislation, whether it is their attempt to repeal the Affordable Care Act or even this tax bill that is a giveaway to corporate special interests and is going to raise taxes on people earning $100,000, that is extreme, that is wrong. So, Mr. Speaker, I would just say to my Republican friends, again, you know, if you want to get things done, if you want to work with us, you have got to treat us as more than just props. You have to enter into good faith negotiations. And I would say, if you did that, we actually might get some things done around here that might improve the quality of life for everybody in this country. Mr. Speaker, I reserve the balance of my time. Ms. CHENEY. Mr. Speaker, I would just note, in response to my friend and colleague from Massachusetts, that if the gentleman's leaders are so fragile that they are scared off by a tweet, then probably they need some new leaders. And I don't suspect that his argument really is they couldn't go to the meeting because they were scared because of a tweet. We do need to work together to get things done. We are hard at work doing that. In that regard, Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Shimkus), the chairman of the Environment Subcommittee, who oversaw this bill. Mr. SHIMKUS. Mr. Speaker, I thank the chairman and my good friend, Mr. McGovern, for the kind words. What we did here was simple. It is not always simple to get through the legislative process, but what we attempted to do was reauthorize a bill that hadn't been authorized. Appropriated dollars were being spent. It has been the focus of the Republican Congress to make sure we reauthorize ***programs***, and we do that to fix things that have gone wrong over the years or because a changing environment has occurred. The last time the bill was really authorized was 2002. Fast-forward 15 years, there are things changed. The authorization amount was set. We actually spent more than the authorization amount. People love this ***program***, but we have got to update it to the modern day, and we need to fix some of the items. Those are reflected in this bill, and I appreciate the Rules Committee hearing the debate, addressing some of the concerns, and deciding that this bill can come to the floor. As it was stated, no amendments were offered to debate on this floor, which I think is a great process. Simply put, I have a friend from Houston, Texas, who is very proud of the Houston Astros, and he will cite Minute Maid Park. Minute Maid Park is on a brownfields. So if you looked at the World Series and you saw that beautiful facility, well, that is the result of the brownfields ***program*** that we are now trying to update and fix. [[Page H9482]] The stats are pretty clear. I mean, you get a $16 return for every dollar we put in at the Federal level. That is a great return on investment. Jobs are increased by every projection, and even local land values around the brownfields, the property values increase around them. This and more will be debated and discussed when we bring the bill to the floor tomorrow. This rule helps us do that. The SPEAKER pro tempore. The time of the gentleman has expired. Ms. CHENEY. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Illinois. Mr. SHIMKUS. Mr. Speaker, one other thing I will end on, and I know we will have a lot of debate and frustration and controversy, but this did go through regular order. We had a hearing. We had a subcommittee mark. As Mr. McGovern mentioned, we had a full committee mark. We invested with our Democratic colleagues--they brought some ideas; some were accepted; some were rejected; some of the ones that we had they rejected--and we have a pretty good product to bring as part of this rule. I would ask my colleagues to support the rule so we can bring the bill to the floor, and I thank my colleagues on the Rules Committee for making it happen. Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I just want to again respond to my colleague from Wyoming when she again raised the issue as to why our leaders didn't show up to the White House. It is not because they have a fragile ego. It is because they didn't want to waste their time. It is because they didn't want to be a prop or just be there for a photo op. It is because they are actually focused on trying to do the people's business, and they are tired of the gamesmanship. If the gentlewoman wants to talk about fragile egos, I would suggest that she observe the behavior of the man who is in the Oval Office. I mean, this is a guy who will get into a Twitter war with a basketball player's father. I would say that, and I would just respectfully urge my Republican colleagues, now is the time for an ***intervention*** because we have serious business to deal with in this country: there are issues of war and peace; there are issues of domestic security; there are issues of economic security that we have to deal with; and instead, we are dealing with constant nonsense coming out of the White House. So it is time for the Republican majority to intervene and to say to the President, ``Enough is enough.'' Mr. Speaker, you know, for weeks, tax experts have been reporting that the Republican tax ***plans*** would raise taxes on millions of middle class families in order to cut taxes for the wealthy and corporations. Their proposed legislation may directly benefit President Trump and his family members to the tune of tens of millions of dollars, according to independent analyses. President Trump has denied this, stating that he would be a bigger loser if the House GOP tax bill is approved. Well, without his tax returns, we simply have no way of knowing exactly how much President Trump stands to gain from the tax bill. The American people deserve to know whether or not our President is directly benefiting from legislation that would hurt millions of Americans. Mr. Speaker, if we defeat the previous question, I will offer an amendment to the rule to bring up Representative Eshoo's bill, H.R 305, which would require Presidents and major party nominees for the Presidency to release their tax returns. Mr. Speaker, I ask unanimous consent to insert the text of my amendment in the Record, along with extraneous material, immediately prior to the vote on the previous question. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts? There was no objection. Mr. McGOVERN. Mr. Speaker, as I stated earlier, there are so many conflicts of interest in this administration, and especially with this President. This administration is on a collision course with corruption. It is time for Democrats and Republicans to stand up and to be united and to demand a little sunshine on what the reality is. To discuss our proposal, I yield 3 minutes to the gentlewoman from California (Ms. Eshoo). The SPEAKER pro tempore. Members are reminded to refrain from engaging in personalities toward the President. Ms. ESHOO. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, I rise in opposition to the rule, and I urge my colleagues to defeat the previous question so that the House can vote on my bipartisan legislation, the Presidential Tax Transparency Act. This bill codifies the longstanding, bipartisan tradition of Presidents and Presidential nominees disclosing their tax return information to the American people. The Republican majority and the President are currently working in overdrive to pass a distorted tax bill that will raise the taxes on 82 million middle class families. It takes one's breath away. I and many others have spoken at length about the harm this bill will do to the middle class, from targeting the mortgage interest deduction, to raising the cost of higher education and graduate school for student loans, to limiting the deductibility of State and local taxes. And, at a time when our country is recovering from several natural disasters, including major wildfires in California where 14,000 Californians have lost their homes, the House-passed bill eliminates the deduction for personal property losses resulting from natural disasters, which I find to be especially cruel. While it is very clear that the Republican tax bill will harm the middle class, it is less clear how the bill will benefit one taxpayer in particular, if he pays any taxes: the President of the United States of America. Mr. Trump is the wealthiest President in our Nation's history, but he is also the only President, going back to Gerald Ford and all Presidents moving forward who voluntarily put out their tax returns--he is the only one--to refuse to release his tax returns, a lapse in disclosure that is made all the more troubling given his all-out push for tax cuts for the wealthiest at the expense of the middle class and others in our country. {time} 1315 How can Americans have any confidence in what is going on? They are not fools. They understand that we are swimming around in conflicts of interest, and nothing is being done about it. Today, Republicans have an opportunity. And while we cannot know exactly how the Republican tax bill will benefit the President, until he releases his tax returns, we can be sure that this tax bill, which is skewed toward the top 1 percent, will benefit the billionaire Commander in Chief and his family. What an example for the American people. The SPEAKER pro tempore. The time of the gentlewoman has expired. Mr. McGOVERN. Mr. Speaker, I yield an additional 1 minute to the gentlewoman from California. Ms. ESHOO. The Republican tax bill cuts the tax rate for so-called pass-through businesses, which is how many of the Trump family's businesses are structured, including hotels, golf courses, and real estate developments. Specifically, the tax rate for passive business income, which is derived from licensing, royalties, and other arrangements that the Trump organization specializes in, will be cut from 39.6 percent to 25 percent in the Republican tax scam bill. That same bill also repeals the alternative minimum tax, which we know from Mr. Trump's leaked 2005 tax return forced him to pay an additional $26 million in taxes that year. Without the AMT, he is completely off the hook and would, essentially, have a measly 3 percent effective tax rate: another great example for the American people. It is no wonder they don't trust Washington, D.C Lastly, the Republican tax bill doubles the estate tax exemption to $22 million, and guess who wins again? Mr. Trump. Mr. Speaker, only with full disc

losure of the President's tax returns will we know how much he and his family will benefit from this Republican tax scam. That is why I urge my colleagues to stand up for transparency, listen to the will of the American people, and vote on this bipartisan legislation. Ms. CHENEY. Mr. Speaker, I yield myself such time as I may consume. [[Page H9483]] Mr. Speaker, my colleagues on the other side of the aisle have a very tough job. They have to argue for policies that have failed and argue for policies that we have actually had to live through the failure of those policies over the last 8 years. My colleague on the Rules Committee, the gentleman from Massachusetts (Mr. McGovern), asked us to imagine if Hillary Clinton were President, and imagine if Barack Obama were President. Mr. Speaker, we don't have to imagine. We lived through Barack Obama's Presidency. We know that we would be, today, living through completely stagnant growth, a strangled military unable to meet its commitments around the world, out-of- control Federal agencies, a Federal Government that believed it had an obligation to run every aspect of people's lives across this country, and, at the same time, the Federal Government telling people that they were forced to purchase insurance they didn't want and they didn't need. We know that has failed. We know that the whole system that the Democrats believed would work, in terms of bringing healthcare costs down, fundamentally failed. You cannot force people into the insurance pools. The concept was, if you forced the young, healthy people in, you would drop costs down for everybody. That is not what happened. I have sympathy for them because it is a tough job that they are undertaking, but it is very important that we argue based on the facts on this floor, Mr. Speaker. In fact, the tax bill that I hope will come back from the Senate--the tax bill that we passed out of the House, and one that we will take to conference--reduces taxes for the middle class, reduces taxes for families all across this country, doubles the standard deduction, and takes steps towards making real what we know to be true, which is taxpayer dollars don't belong to the government, Mr. Speaker, taxpayer dollars belong to the American people. If we allow people to keep more of their own money, they will invest that money, they will grow our economy, and they will create jobs. That is how we are going to get this economy growing and continue the expansion and economic growth that we have seen just since this President came into office. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. Lewis). Mr. LEWIS of Minnesota. Mr. Speaker, I sincerely hope that our friends on the other side of the aisle will soon get over their obsession with the 2016 election and actually work with the majority on genuine tax reform, genuine healthcare reform, and, of course, Congressman Emmer's good bill from Minnesota, H.R 3905, which I am proud to stand up and support today, to expand employment opportunities for my home State of Minnesota. Employers in the mining, energy, infrastructure, and manufacturing industries have been struggling to invest in projects and employees over the last 8 years. In fact, when a business finally figures out a way to go forward, determining the economic feasibility of a project, and decides to invest, then the Federal Government comes in and changes the rules, forcing them back to square one. Minnesota is all too familiar with this process. Last-ditch Federal, bureaucratic decisions are costing our citizens thousands of well-paying jobs, our communities tax revenue, and our State educational systems funding, and is costing many Minnesotans their way of life. Over the past 100 years, Congress has studied and voted on where mining should and should not take place. Minnesota has a proud history of protecting the State's natural beauty, while also encouraging safe mining, providing jobs for our citizens, especially in the northeastern part of the State. That is why they call it the Iron Range. We now have private companies that are willing to invest in Minnesota, employ our constituents, and grow our communities. And what has the Federal Government done? They put up a road block, without congressional intent or input. The Federal Government is proposing to unilaterally ban mineral exploration and development on 235,000 acres of land that was meant to provide jobs in our State. Mr. Speaker, Congressman Emmer's bill does not undo environmental studies, the bill does not fast-track mining, and it doesn't even approve a mine. It is simply a vote to let the State of Minnesota review and approve mining operations, based on each individual's projects, merits, and impacts. The SPEAKER pro tempore. The time of the gentleman has expired. Ms. CHENEY. Mr. Speaker, I yield an additional 30 seconds to the gentleman. Mr. LEWIS of Minnesota. That is why the Laborers' International Union of North America, International Union of Operating Engineers, Associated General Contractors of Minnesota, Jobs for Minnesotans Coalition, North America's Building Trades Union, and United Brotherhood of Carpenters and Joiners of America, to name a few, support the bill. Congress has always respected what activities should be allowed to occur in the several States. This legislation makes certain the public and the State of Minnesota retain that authority. That is why I am proud to vote in favor of this rule and eventual passage of the MINER Act that allows Minnesotans more opportunity. Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, my colleague from Wyoming talks about this great tax bill that the Republicans have proposed. I would call her attention to an article in Politico/Morning Consult today, which said that 8 percent of Americans believe that the Senate should take the Republican House- passed tax bill and enact it as-is--8 percent. I don't know how much lower you can get. I thought my friend's healthcare bill had terrible ratings. I think it was like 17 percent of the American people supported it. I don't know how she can walk around and be proud of what she is trying to do here when the vast majority of the people don't want what you are selling. They believe that these policies will be harmful. We are supposed to be the House of Representatives--the people's House--not the House of corporations, to give out special deals to mining companies, or to pass tax bills that benefit corporations at the expense of middle class families, or to pass healthcare reform that is a giveaway to insurance companies and rips away health coverage from millions and millions of people. I mean, come on. Mr. Speaker, as I said, we believe in transparency on this side of the aisle, and we need to know what is behind some of these proposes in this tax bill, to find out who is benefiting and who is not. We know a lot of middle class families will not benefit. They are going to see their taxes increase. But we would like to know whether or not this President is going to benefit. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. Clay). Mr. CLAY. Mr. Speaker, I thank my friend from Massachusetts for yielding. Mr. Speaker, I rise today to offer a special welcome to the President of the United States as he visits my home State of Missouri, which has a great need for brownfield remediation. I understand that President Trump's visit will focus on the indefensible, reckless Republican tax scam that will raise taxes on millions of middle class families. It will rob seniors, punish students, weaken higher education, strip healthcare coverage away from 13 million Americans, and explode the debt by charging an additional $1.4 trillion on the national credit card. Mr. Speaker, the majority likes to talk about family values, and there is no doubt that extremely wealthy families, like President Trump's, will reap millions from your GOP tax scam. But what about real Americans who will pay more and get less? I would like President Trump to show me why he wants to raise taxes on over 320,000 middle class families in Missouri. I would like President Trump to show me why he wants to bury 255,000 Missouri students, who hold student loans, even deeper in debt by eliminating the deduction for student loan interest. I would like President Trump to show me why he wants to harm 165,000 seriously ill Missouri taxpayers, who will no longer be able to deduct medical expenses. And I would like him to show me why, when asked about the State level impact of the [[Page H9484]] Trump-GOP tax scam, even the Republican chairman of the Missouri House Budget Committee, State Representative Scott Fitzpatrick of Shell Knob, told the St. Louis Post-Dispatch on November 9: ``We cannot have a billion-dollar hole blown in the budget. We cannot afford that.'' I would like President Trump to show me why he wants to impose double taxation on every Missouri taxpayer, who will no longer be able to deduct State and local income taxes. And I would like him to show me why he wants to weaken Medicare by robbing it of over $25 billion over the next 10 years to help pay for tax cuts for billionaires. And, finally, I would like President Trump to show me how he intends to ever look middle class families in the face again when he promised to lower taxes for every American. The SPEAKER pro tempore. The time of the gentleman has expired. Mr. McGOVERN. I yield an additional 15 seconds to the gentleman from Missouri. Mr. CLAY. Instead, this shameful GOP tax scam will ensure that the haves will have more, and everyone else will pay for it. Ms. CHENEY. Mr. Speaker, I yield 3\1/2\ minutes to the gentleman from Minnesota (Mr. Emmer), the sponsor of H.R 3905. Mr. EMMER. Mr. Speaker, today's debate on H.R 3905, Minnesota's Economic Rights in the Superior National Forest Act, also known as the MINER Act, is not just important to the great State of Minnesota: this legislation is critically important to the United States. The MINER Act will reverse the misguided last minute actions of the Obama administration to stop any exploration of one of the most valuable precious metal deposits in the world. The MINER Act will ensure that the people of Minnesota will have the opportunity for jobs and economic prosperity that would come if the deposit can ever be mined in an environmentally safe and responsible manner. The MINER Act will renew the Federal Government's commitment and promise to the citizens of Minnesota. When the Superior National Forest was created in 1909, and later when the Boundary Waters Canoe Area was established in 1978, there was an express agreement between the Federal Government and the State of Minnesota that mining and logging could continue in the Superior National Forest. {time} 1330 In fact, according to the most recent Superior National Forest Land and Resource Management ***Plan***, mining and logging are considered desirable conditions in the forest. This is about more than 10,000 jobs, which are now at risk because of the lameduck actions of the Obama administration. This is about billions of dollars in revenue for Minnesota's economy and billions more in potential education funding for Minnesota's schools that are now on the line. This is also about strategically important metals and minerals, which are used by Americans every day. The MINER Act, again, is about protecting Minnesota's right to explore and, if environmentally appropriate, to mine valuable precious metals--precious metals that are not only necessary to our everyday technology, but which are critically important to our Nation's national defense. There are some who would like to deny Minnesota the right to explore and potentially mine these precious metals. They argue that any mining activity could negatively impact our beloved Boundary Waters Canoe Area Wilderness. This concern, however, ignores the fact that if a mine is ever proposed--and one has not, but if one is ever proposed--in the Superior National Forest, it would have to satisfy all current local, State, and Federal environmental review and permitting requirements before it could ever be approved to proceed. We can and we will protect the Boundary Waters. I have no doubt we could find a way to preserve Minnesota's pristine landscape without permanently destroying any future job creation or economic development in Minnesota. By passing the MINER Act today, we protect thousands of jobs and billions of dollars in revenue and education funding while leaving an extensive process intact to protect and preserve the environment and our State. In conclusion, I encourage all of my colleagues to support the MINER Act, because we know that someday someone might find a way to mine these important precious metals in a safe and environmentally responsible way. And if that happens, Minnesota deserves the opportunity and the jobs and economic prosperity that will ensue. Mr. Speaker, I urge a ``yes'' vote on the rule and the underlying bill. Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I include in the Record a letter from Minnesota Governor Mark Dayton in opposition to H.R 3905. State of Minnesota, Office of Governor Mark Dayton, Saint Paul, MN, November 27, 2017. Hon. Paul Ryan, Speaker of the House, House of Representatives, Washington, DC. Dear Speaker Ryan: I write in strong opposition to HR3905, which I understand has passed out of Committee and is being reviewed by House Majority Leadership for a floor vote. I implore you not to schedule a vote on this bill without a full vetting of the serious risks to the Boundary Waters Canoe Area Wilderness from adjacent copper-nickel mining, the status of the two-year federal study currently underway, and the wishes of the majority of Minnesotans, who oppose copper- nickel mining in the immediate vicinity of the Boundary Waters. HR3905 is a bill, ``To require congressional approval of any mineral withdrawal or monument designation involving the National Forest System lands in the State of Minnesota, to provide for the renewal of certain mineral leases in such lands, and for other purposes.'' HR3905 was introduced in response to the desires of a foreign mining company to use Congress to circumvent the deliberations of the U.S Departments of Interior and ***Agriculture*** and their agencies, the Bureau of Land Management (BLM) and the U.S Forest Service (USFS), to determine whether copper-nickel mining can be conducted safely in this ecologically sensitive part of Minnesota. The Boundary Waters Canoe Area Wilderness (BCWAW) is America's most popular national Wilderness Area, drawing visitors from all over the world to Northeastern Minnesota to fish, hunt, and experience its interconnected pristine lakes, rivers and streams. Additionally, the BWCAW contributes enormously to Minnesota's social and economic well-being. In January, 2017, the BLM and the USFS began a comprehensive two-year study to determine whether copper- nickel mining, with its toxic by-product, sulfide ore, is appropriate within the watershed and immediate vicinity of the BWCA. Specifically, this environmental review will determine whether the Superior National Forest lands next to the BWCAW should be removed from the federal mining ***program*** to protect the Wilderness from pollution and other environmental degradation caused by the resulting sulfide ore. The study considers a wide variety of factors, including scientific evidence, public input, economic considerations, ecological characteristics, and recreational value, among others. I respectfully ask that you allow the completion of this important review process. Over 126,000 Americans have submitted public comments as part of it. Many attended three public meetings conducted earlier this year by the BLM and USFS. Moving HR3905 forward at this time would disregard the input of all Americans, who have participated in the process, as well as the views of the 79 percent of Minnesotans, who favor the two-year pause and environmental review of potential impacts to the BWCAW. The BWCAW is crucially important to our state, and I believe strongly that future federal and state decisions about its future should be made only after the most careful and objective scientific review. I urge you to reject the attempts by a foreign mining corporation to short-circuit the review process underway, and to affirm the importance of a careful, objective analysis under the existing federal legal framework. Continuing this review process is the best way to allow for well-informed federal and state decisions, which will affect many future generations of Americans. Industry should not dictate the stewardship of taxpayer-owned public lands, nor use Congress to short-circuit sound decision-making-- especially regarding pristine Wilderness Areas like the BWCAW. Sincerely, Mark Dayton, Governor. Mr. McGOVERN. Mr. Speaker, I also include in the Record a letter from the Sportsmen for the Boundary Waters in opposition to the bill; a letter from the National Parks Conservation Association; and a letter from the Girl Scouts of Minnesota and Wisconsin Lakes and Pines in opposition to this bill. Sportsmen for the Boundary Waters, Ely, MN, November 29, 2017. Dear Representative: On behalf of our millions of members and supporters, we urge [[Page H9485]] you to OPPOSE H.R 3905, the so-called ``Minnesota's Economic Rights in the Superior National Forest Act'' when it is considered on the House floor. Simply put, H.R 3905 is a bill to allow sulfide-ore mining at the edge of the Boundary Water Canoe Area Wilderness (BWCAW), directly threatening one of America's most accessible and most-visited wilderness areas. At 1.1 million acres in size, the BWCAW is the largest wilderness east of the Rockies and north of the Everglades. This interconnected system of lakes, rivers, and streams provides unparalleled opportunities for solitude, recreation, hunting and fishing. The connections between Northern Minnesota's national forests, Boundary Water Canoe Area Wilderness, Voyageurs National Park, and Quetico Provincial Park makes this entire trans boundary area extremely susceptible to the threat of pollution from sulfide-ore mining, one of the most toxic industries in America, according to the EPA. H.R 3905 would require congressional approval of any mineral withdrawal or monument designation involving National Forest System lands in the State of Minnesota and would provide for the perpetual renewal of federal mineral leases in Minnesota, including two that were denied by the Forest Service and the Bureau of Land Management. The bill undermines the Antiquities Act, National Environmental Policy Act, Federal Land Policy and Management Act, Boundary Waters Wilderness Act, and other laws regulating mineral leasing in Minnesota's national forests. Contrary to the bill's title, H.R 3905 would do more harm than good for the economy of Northern Minnesota. Economic analysis by Key-Log Economics LLC shows that sulfide-ore mining on Superior National Forest lands in the watershed of the Boundary Waters could lead to the loss of nearly 5,000 jobs in tourism, 5,000 to 22,000 jobs in the rest of the economy, a $1.6 billion loss in annual income, and a $500 million reduction in private property values. Specifically, we urge opposition to this bill because it would: Renew two expired and undeveloped mineral leases on Superior National Forest lands next to the Boundary Waters and along lakes and rivers that flow directly into the Wilderness, advancing a foreign mining company's interests at the expense of beloved American public lands. Void the December 2016 record of decision by the Forest Service withholding its consent to two mineral lease renewal requests in the Superior National Forest due to the unacceptable risks to this watershed, which according to the Forest Service holds 20 percent of the National Forest System's fresh water supply. Undermine the National Environmental Policy Act by limiting review of these two mineral leases to a 30-day environmental assessment. Contrary to the bill language, there is no `pending EA.' However, this section would override the ongoing two-year Environmental Impact Statement (EIS) initiated by the Forest Service and Bureau of Land Management to carefully consider the potential impacts of sulfide-ore mining on the Boundary Waters watershed. The ongoing EIS is strongly supported by Minnesota's Governor Dayton and by the citizens of Minnesota. More than 79% of Minnesota voters support the study, while more than 126,000 citizens submitted comments during the scoping phase. Amend the 1906 Antiquities Act by mandating Congressional approval for any national monument designations in Minnesota's national forests. The Antiquities Act is a bipartisan conservation law, which has been used by Presidents of both parties, to protect irreplaceable federal lands from potential threats. Monument designation under the Antiquities Act have provided protections for areas including the Grand Canyon, Acadia, Zion, Muir Woods, and Olympic National Parks. Quite simply, this attack on the Antiquities Act is an attack against our national parks and monuments. Amend the 1976 Federal Land Policy and Management Act (FLPMA) by mandating Congressional approval for mineral withdrawals in Minnesota's national forests. Additionally, FLPMA intentionally left intact the presidential power to protect public lands as monuments. Bar the Forest Service from complying with its legal obligations under the 1978 Boundary Waters Wilderness Act. In this Act Congress requires the Forest Service to maintain the high-water quality of the Boundary Waters and a Mining Protection Area within the Superior National Forest. The Forest Service concluded that sulfide-ore mining near the Boundary Waters would be ``contrary to Congress' determination that it is necessary to `protect the special qualities of the [BWCAW] as a natural forest-lakeland wilderness ecosystem of major esthetic, scientific, recreational and educational value to the Nation.' '' Make all mineral leases on Minnesota's national forests essentially perpetual. The `perpetual' nature of these leases is material change in long-standing mineral leasing law and policy. The bill would also override the two laws (1946 and 1950) on mineral leasing in Minnesota's national forests that require Forest Service consent to any mining. Ignore the request of the International Joint Commission that environmental review of impacts on trans boundary water quality and cumulative effects be studied and the requests of four tribal entities (the area is Ceded Territory). Thank you for considering our concerns. In order to adequately protect iconic places like the Boundary Waters, Voyageurs National Park, and all of Minnesota's public lands, and bedrock environmental laws like the Antiquities Act and the National Environmental Policy Act, we urge you to OPPOSE H.R 3905. Sincerely, Backcountry Hunters & Anglers, National Wildlife Federation, Theodore Roosevelt Conservation Partnership, Fly Fishers International, Minnesota Division Izaak Walton League of America, American Fly Fishing Trade Association, Pope and Young Club, keepitpublic.org \_\_\_\_ National Parks Conservation Association, Washington, DC, November 6, 2017. Oppose H.R 3905: Minnesota's Economic Rights in the Superior National Forest Act. Dear Representative: Since 1919, the National Parks Conservation Association (NPCA) has been the leading voice of the American people in protecting and enhancing our National Park System. On behalf of our more than 1.3 million members and supporters nationwide, I urge you to oppose H.R 3905: Minnesota's Economic Rights in the Superior National Forest Act when it is reviewed at a markup by the Natural Resources Committee on Tuesday and Wednesday, November 7th and 8th. NPCA strongly opposes this legislation as it undermines two decisions made by the U.S Forest Service and the Bureau of Land Management (BLM) regarding harmful sulfide-ore copper mining within the watershed of the Boundary Waters Canoe Area Wilderness and Voyageurs National Park. The legislation also carves out a special exception for Minnesota from protective provisions of the Federal Land Policy and Management Act (FLPMA) and the Antiquities Act. H.R 3905 threatens the decision-making process already set in motion by the Forest Service to consider a twenty-year mineral withdrawal within the Superior National Forest in the Rainy River watershed. These public lands lie upstream of two prized and federally-protected areas, the Boundary Waters Wilderness and Voyageurs National Park. Both areas are easily threatened by pollutants from mining activities in this watershed given the exclusive drainage into their waters. Tens of thousands of people have already submitted comments on this matter and over 2,000 have participated in agency- sponsored listening sessions. This legislation could erase the remarkable outpouring of public support for clean water and public lands, and set a precedent for legislating a decision that could counter what our federal agencies and public want. The legislation also threatens the BLM's decision, with advice from the Forest Service, not to renew two mineral leases on the edge of the Boundary Waters Wilderness held by Twin Metals Minnesota. Although the language of the legislation is unclear, it is possible its intent is to restrain Forest Service and BLM discretion on lease renewals while reinstating the Twin Metals leases. Congress has granted discretion to the Forest Service and BLM to assess the circumstances and surrounding environment of any mineral lease application, including applications for lease renewals. Based on this discretion, both agencies have determined that this region is too vulnerable for this type of risky mining, a type of mining never before allowed in Minnesota. Twin Metals would operate in the northeastern part of the state upstream of the Boundary Waters Wilderness that hosts some of cleanest water in America, and Voyageurs National Park, which encompasses over 84,000 acres of water relied upon by many native species. NPCA also strongly objects to carving out a special exception for Minnesota from the protective provisions of the Antiquities Act and FLPMA. The Antiquities Act allows the president to establish national monuments on federal lands already owned by all Americans. Nearly every president since 1906 (eight republicans and eight democrats) has used the Antiquities Act as a bipartisan conservation tool to protect our nation's history and culture. The bill would eliminate this authority on federal lands in Minnesota, making it only the second state declared off-limits for national monuments declared by presidential proclamation. To carve out exceptions from this law is nothing short of a betrayal to the American people and the land and history we've spent generations protecting. FLPMA establishes the authority of the Secretary of the Interior to withdraw land from leasing for up to twenty years. Any final Forest Service and BLM decision to move forward with a twenty-year mineral withdrawal would be based on a thorough, science-based process through the National Environmental Policy Act. H.R 3905 would eliminate this authority solely for Minnesota, alone among the fifty states, and undermine the ability of the agencies to do their job, as appointed by Congress. Thank you for considering our views on this important legislation. Please reject H.R 3905 during this week's markup. Sincerely, Ani Kame'enui, Director, Legislation and Policy. [[Page H9486]] \_\_\_\_ Girl Scouts of Minnesota and Wisconsin Lakes and Pines, November 26, 2017. Dear Member of Congress: I am writing to request you vote no on HR 3905, which is a bill that would stop a 2-year Forest Service study of environmental, economic, and social risks to the Boundary Waters from sulfide-ore copper mining on Superior National Forest lands in the headwaters of the Boundary Waters Canoe Area. For over fifty years, Northern Lakes Canoe Base has offered wilderness canoe trips in the Boundary Waters Canoe Area Wilderness (BWCAW). I guided Girl Scout canoe trips for five years and have directed our wilderness ***program*** for 7 years and am writing this letter to describe the strengths of this ***program*** to you and to underscore the fact that this one-of-a- kind ***program*** cannot exist anywhere other than the Boundary Waters. Girls who come on our canoe trips may have had basic camping and canoeing experiences, but few have experience in wilderness travel. We typically serve 150-200 girls a summer. In general, girls travel in wilderness areas less than boys. Even in 2017, girls are taught to think that the outdoors is no place for a girl because it is hard work, dirty, and going to the mall is just much easier. We teach teenage girls, in a girl-only environment, that their individual strength and the power of teamwork is far greater than they ever imagined. They also learn that hard-work and dirt is part of the fun on a Boundary Waters canoe trip, and they leave with an appreciation for the beauty of wilderness and an understanding of the challenges they now know they can overcome. Girl Scout wilderness canoe trips bring out the best in teenage girls; we see how creative, hardworking, and kind they can be to each other. It doesn't take much imagination to believe that these traits will follow them back to their everyday life. We are a high quality, affordable ***program*** and pride ourselves in our thriftiness. We use our canoes for 20+ seasons and packs and paddles summer after summer. We do this so we can serve girls from all economic backgrounds, including local iron range and Native American communities. For years we have received feedback from participants crediting their Boundary Waters experience for continued, life-long growth. Our ***program*** cannot exist somewhere other than the Boundary Waters Canoe Area Wilderness. No other place on earth offers the perfect combination of accessibility and high adventure that the BWCAW offers. Many of our participants drive to Ely from Chicago, Milwaukee, and Minneapolis. Many others fly to Minneapolis and then rent a car to get to Ely. Unlike many other wilderness areas which may be high on a mountain range or only accessible by high- clearance vehicles, it is easy for a mom or dad to drive a van full of girls to the Boundary Waters, send them on a trip, and then pick them up a week later. The Boundary Waters is also unique in that, unlike many other wilderness areas, visitors don't require any previous experience or training to have a safe, adventurous trip. Anyone seeking adventure and challenge belongs on a canoe trip, not just body builders and endurance athletes. We have even seen that a Girl Scout canoe trip sometimes inspires girls who may be uninterested in athletics or leadership to seek out her own creative ways to be active and healthy, leading to improved confidence and greater aspirations. Again, it doesn't take much imagination to conclude that girls who experience wilderness travel will go on to make the world a better place. Girl Scouts canoe trip participants always remark that the solitude they find in the Boundary Waters is unlike any they have found elsewhere, whether at their own Girl Scout resident camp or a state or national park. The quiet environment of a protected wilderness area gives them an opportunity to reflect on their life in a way that they could not in a non-wilderness setting. Girl Scouts end their canoe trip with a swagger to their step, ready to take on any challenge that comes their way. Thank you for doing your part to preserve the Boundary Waters Canoe Area Wilderness by voting no on HR 3905. It means a lot to all of us in Ely whose ***programs*** and businesses are focused around wilderness travel. Sincerely, Ann McNally, Northern Lakes Canoe Base Summer ***Program*** Director/Guide. Mr. McGOVERN. Mr. Speaker, I reserve the balance of my time. Ms. CHENEY. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. Gosar). Mr. GOSAR. Mr. Speaker, I rise today in support of the rule and H.R 3905, the Minnesota Economic Rights in the Superior National Forest Act. 17,000 jobs, $3 billion for education, $1.5 billion in annual wages, and $2.5 billion annually for our economy are at risk if we don't pass H.R 3905. Further, there are more than 4 billion tons of ore containing copper, nickel, and other metal resources within the area the previous administration tried to shut down, which represents the largest known undeveloped deposit of ***strategic*** and critical minerals in the world. If left unchallenged, these political anti-mining and anti-education actions set precedent for a sweeping executive power grab that threatens communities throughout the country. Education will be significantly harmed, as Minnesota is projected to lose up to $3 billion in royalty revenues for the State's permanent school trust fund that would support nearly 900,000 K-12 students statewide if the withdrawal application and canceled leases are not rejected. As the President, on January 19, was leaving office, he actually proposed a massive land withdrawal in northern Minnesota, immediately placing 245,000 acres off limits to development potentially for 20 more years in the future. In conjunction with this massive mineral withdrawal, the Obama administration's Bureau of Land Management inappropriately rejected Twin Metals Minnesota's application to renew two hard rock mineral leases in Minnesota's Superior National Monument. Finally, I want to put to rest the false claim raised by the extremist groups that this bill would affect the 1.1-million-acre Boundary Waters Canoe Area Wilderness that already has a significant buffer between it and the forest. No one is advocating to mine in the wilderness or the surrounding buffer zones. In fact, the bill clearly states on page 4: ``Nothing in this section may be construed as permitting the prospecting for development and utilization of mineral resources within the Boundary Waters Canoe Area Wilderness or Mine Protection Area.'' Congress has authorized mining in the forest by law two different times, and the 1986 Forest Service and 2004 Forest ***Plans*** both concluded mining is a desired condition in the Superior National Forest. Mr. Speaker, I ask Members to support this commonsense, job-creating bill and to support the rule to bring this bill to the floor for proper adjudication. Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, one of the reasons why many of us are opposed to H.R 3905 is because we see it as a corporate giveaway that puts treasured public lands in the hands of a Chilean mining conglomerate. So much of what comes out of this Congress is about rewarding those who are well-connected and well-off, rewarding corporations at the expense of average citizens. I will go back to our previous question, which would force a vote. Everything would still move forward, but it would force a vote on a bill that was introduced by Ms. Eshoo that would require Presidents and Presidential nominees to release their tax returns. It is not just the connections between the Trump family and this mining company that we have concerns about; it is the connections between this President and his administration and the tax bill that is being proposed that we know would raise taxes on millions and millions of middle class families and basically give a big tax cut to the wealthiest individuals and to corporate special interests and to corporations. We think that is all backwards, but I think the American people deserve to know who benefits and who doesn't. Again, for the life of me, I don't understand why so many of my Republican friends have circled the wagons in opposition to transparency, in opposition to letting the American people know where this President's conflicts of interests are, and basically protect what I think may very well be multiple conflicts of interest and maybe conflicts of interest that lead directly into a collision course with corruption. This is a big deal. All this legislation that we are talking about here today, there is a good piece of legislation, the brownfields legislation; a bad piece, that is this mining bill. This still goes forward, but vote with us to defeat the previous question so that we can bring up this other bill. Now, my Republican colleague from Wyoming may say: Well, that is not what we are talking about here today. The Democrats are just trying to muddy up the discussion. The reason why we have to resort to a procedural motion to bring up this bill to force the President and Presidential nominees to release their tax [[Page H9487]] returns is because the Rules Committee shuts everything down that this leadership doesn't want to see come to the floor. We can't bring this bill to the floor to require the President to release his tax returns under regular order and our normal process. They won't let us. We can't offer it as an amendment. They won't let us. This is the only way we can do it. I would urge my Republican friends to stop defending the indefensible here. This thing would apply not just to Donald Trump, it would apply to every President. We have never had to do this before because every other President has released their tax returns. This President, for some reason, doesn't think it is anybody's business. Given the nature of the legislation coming out of this House of Representatives, I think the American people need to know and have a right to know. Mr. Speaker, I reserve the balance of my time. The SPEAKER pro tempore. Members are reminded to refrain from engaging in personalities toward the President. Ms. CHENEY. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I would just, once again, point out that we have important work that we are trying to get done here, we have important work we have got to do on behalf of the American people. Mr. Speaker, elections have consequences, and we have an obligation to do what our constituents sent us here to do, and that includes a whole range of things that we have been very effective at doing, historically effective in this body since January in terms of deregulation, in terms of passing the repeal of ObamaCare, in terms of moving forward on tax cuts in terms of actually passing the legislation to cut taxes, and importantly also, Mr. Speaker, moving forward to provide the resources that our military needs. We all watched just over the course of the last 24 hours as the North Koreans launched yet again another ICBM. We live in a dangerous world. It is increasingly dangerous, historically dangerous. Those are the issues that we are focused on as Republicans and as Members of this House. Those are the issues that we need to focus our attention on. Again, I think we have grown to expect, no matter what the rule is, no matter what the underlying bill is, we are going to hear the same thing from our colleagues on the other side of the aisle, not addressing the substance of these issues, not addressing the substance of the things the American people sent us here to do. I am very proud to stand here today doing exactly that. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. Westerman). Mr. WESTERMAN. Mr. Speaker, I thank my friend and colleague from Wyoming (Ms. Cheney) for yielding to me. Mr. Speaker, I rise today in support of this rule for H.R 3905 as well as the underlying bill. Mr. Speaker, earlier this year I had the opportunity to travel to Minnesota with Minnesota Congressmen Emmer and Nolan and others to visit the Superior National Forest in northeast Minnesota. While northeast Minnesota is a long way from the Fourth District of Arkansas, the people, areas, and the economics are somewhat similar. This is a rural area where local economies and constituencies depend on the ability to sustainably and responsibly harvest and mine the natural resources found there. Unfortunately, the previous administration placed the wants of special interest environmental groups before the needs of Minnesotans and others who depend on natural resources management. In my opinion, they trampled our Article I constitutional authority of the legislative branch when doing so. On January 19, 2017, one day before President Trump was sworn in, the Obama administration published a 235,000-acre Federal mineral withdrawal application in the Federal Register to impose a 20-year moratorium on lands within the Superior National Forest in northeast Minnesota. Mr. Speaker, this was in direct conflict with the will of Congress and the law going back to when the Boundary Waters Canoe Area Wilderness was established. At the same time, the Obama administration wrongly rejected Twin Metals Minnesota's application to renew two hard rock mineral leases that were renewed in 1989 and 2004. The land in question is not in the Boundary Waters Canoe Area Wilderness and it doesn't even border Boundary Waters. In fact, the land in question is outside a buffer area around Boundary Waters created by Congress to protect the Boundary Waters. This politically motivated decision has the ability to destroy the local economy, kill job creation, significantly harm education in Minnesota, and sets a bad precedent. I want to talk just a moment about the impact this decision will have on Minnesota education. If this withdrawal is allowed to take place, Minnesota is projected to lose up to $3 billion in royalty revenues for the State's permanent school trust fund, supporting nearly 900,000 students. Mr. Speaker, as someone who represents schools, communities, and counties that depend on ***programs*** like Secure Rural Schools and PILTs, I know the harm that will be brought on school districts, specifically rural school districts, should the withdrawal and application rejection go forward. How much longer will we allow rural communities and education to suffer because a special interest group doesn't agree with forest management or mining, even though any projects will be carried out in compliance with all environmental regulations in a responsible manner? Mr. Speaker, H.R 3905 is a vital piece of legislation to not only Minnesota, but to other States and communities that depend on natural resource utilization. It is also important for the legislative branch to remind the executive branch it is not their job to make law or to change laws made by Congress. For these reasons, I ask my colleagues to support this rule and the underlying legislation. Mr. McGOVERN. Mr. Speaker, if I could just inquire of the gentlewoman how many more speakers she has. Ms. CHENEY. Mr. Speaker, I am prepared to close. Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I include in the Record two letters in opposition to H.R 3905 signed by virtually every major environmental organization in the country. November 8, 2017. Dear Representative: On behalf of our millions of members and supporters, we urge you to OPPOSE H.R 3905, the ``Minnesota's Economic Rights in the Superior National Forest Act'' scheduled for mark-up in House Natural Resources on Wednesday. Section 3 of this radical bill, which would require Congressional approval of any monument extension or designation involving National Forest lands in Minnesota, represents yet another direct attack on one of our nation's bedrock conservation laws, and flatly ignores the overwhelming public support for protecting unique and sensitive federal lands and ocean areas through national monument designations. We urge the committee to consider the following during markup of H.R 3905 this week: Contrary to the Intent of the Law--The Antiquities Act was designed to allow for swift and necessary action, including when Congress is either unable or unwilling to act, to protect irreplaceable resources from potential threats. Not only has the law successfully protected some of our nation's most remarkable historical, cultural and natural treasures for a century, Congress intentionally left this presidential power intact when passing the Federal Land Policy and Management Act of 1976 (signed into law by President Ford). A Vote Against our Parks--Supporting any bill that would undermine the Antiquities Act is a vote against parks. Nearly half of America's national parks began as national monuments including the Grand Canyon, Acadia, Zion, Muir Woods, and Olympic National Parks; and over two-thirds of our national monuments are managed by the National Park Service. Quite simply, a vote against the Antiquities Act is a vote against our national parks and monuments. Federal Lands Belong to All Americans--The Antiquities Act is used only to protect federal lands already owned by the American public. By carving out an exception for national forest lands within Minnesota, Section 3 of H.R 3905 flies in the face of our nation's shared public heritage and disregards how dearly the public values iconic public lands and waters, like Boundary Waters Canoe Area Wilderness and Voyageurs National Park. Bipartisan History--A signature achievement of President Theodore Roosevelt, the Antiquities Act has been used by 16 presidents since its inception--8 Republicans and 8 Democrats. [[Page H9488]] Out of Step with the Public--This bill is wildly out of step with the American public's support for our national parks and monuments. Just this summer, a vast majority of the 2.8 million people who submitted comments on the issue raised their voices in support of keeping our national monuments protected just as they are. These voices made Secretary Zinke's national monuments public comment period the largest public comment period in the history of the Interior Department. Across the West, public support for protecting our national monuments has proven strong, and a significant majority of Western voters oppose more mining and drilling on public lands. According to Colorado College's Conservation in the West Poll, 80% of western voters support ``future presidents continuing to protect existing public lands as national monuments.'' This poll reinforces other surveys that document widespread public opposition to congressional attacks on new parks. Americans want more protected public lands, not less! Opposed by Diverse List of Hundreds of Organizations--As demonstrated by this letter as well as the attached letter signed by nearly 200 organizations, a diverse array of local and national organizations representing sportsmen, outdoor recreation businesses, local chambers of commerce, cultural heritage, historic preservation and conservation have consistently opposed efforts to undermine the Antiquities Act in any form. Disregards Local Economies--Economic research shows that national monuments support the growth of local economies, bringing in tourism and recreation dollars and boosting the quality of life. The Outdoor Industry Association reported this year that public lands like our national monuments help support 7.6 million jobs in America, and $887 billion in outdoor recreation activity. Monuments Protect our Shared History and Culture--In response to broad community input, sites honoring America's military and outdoor heritage, as well as those expanding the diversity of our national park system to better recognize the contributions and histories of Native Americans, Hispanics and African-Americans have been designated under the Antiquities Act. These monuments include Fort Ord, Fort Monroe, Charles Young Buffalo Soldiers, Harriet Tubman Underground Railroad, Chimney Rock, Organ Mountains-Desert Peaks, Cesar E. Chavez and many more. Recent attacks on national monuments, from President Trump's executive order, to Interior Secretary Zinke's hasty and arbitrary review of these magnificent places, to legislative proposals like H.R 3905 are a smokescreen for other uses of these special places. Thank you for considering our concerns. In order to adequately protect iconic places like the Boundary Waters, Voyageurs National Park, and all of Minnesota's shared public resources, we urge you to vote no on H.R 3905. Sincerely, American Bird Conservancy, American Rivers, Boundary Waters Trust, Center for Biological Diversity, Conservation Lands Foundation, Defenders of Wildlife, Earthjustice, Earthworks, Endangered Species Coalition, Environment America, Environmental Law & Policy Center, Environmental Protection Information Center, Friends of the Earth, Hip Hop Caucus, League of Conservation Voters, National Parks Conservation Association, Natural Resources Defense Council, Northeastern Minnesotans for Wilderness, Sierra Club, Southern Utah Wilderness Alliance, Tuleyome, The Wilderness Society, Wilderness Watch. \_\_\_\_ November 28, 2017. Dear Representative: On behalf of our millions of members and supporters, we urge you to OPPOSE H.R 3905, the so- called ``Minnesota's Economic Rights in the Superior National Forest Act,'' when it is considered on the House floor. Simply put, H.R 3905 is a bill to allow sulfide-ore mining at the edge of the Boundary Waters Canoe Area Wilderness (BWCAW), directly threatening one of America's most- accessible and most-visited Wilderness Areas. At 1.1 million acres in size, the BWCAW is the largest Wilderness east of the Rockies and north of the Everglades. This interconnected system of lakes, rivers, and streams provides unparalleled opportunities for solitude, recreation, hunting and fishing. The connections between Northern Minnesota's national forests, Boundary Waters Canoe Area Wilderness, Voyageurs National Park, and Quetico Provincial Park makes this entire transboundary area extremely susceptible to the threat of pollution from sulfide-ore mining, one of the most toxic industries in America, according to the Environmental Protection Agency. H.R 3905 would require congressional approval of any mineral withdrawal or monument designation involving National Forest System lands in the State of Minnesota and would provide for the perpetual renewal of federal mineral leases in Minnesota, including two that were denied by the Forest Service and the Bureau of Land Management. The bill undermines the Antiquities Act, National Environmental Policy Act, Federal Land Policy and Management Act, Boundary Waters Wilderness Act, and other laws regulating mineral leasing in Minnesota's national forests. Contrary to the bill's title, H.R 3905 would do more harm than good for the economy of Northern Minnesota. Economic analysis by Key-Log Economics LLC shows that sulfide-ore mining on Superior National Forest lands in the watershed of the Boundary Waters could lead to the loss of nearly 5,000 jobs in tourism, 5,000 to 22,000 jobs in the rest of the economy, a $1.6 billion loss in annual income, and a $500 million reduction in private property values. Specifically, we urge opposition to this bill because it would: Renew two expired and undeveloped mineral leases on Superior National Forest lands next to the Boundary Waters and along lakes and rivers that flow directly into the Wilderness, advancing a foreign mining company's interests at the expense of beloved American public lands. Void the December 2016 record of decision by the Forest Service withholding its consent to two mineral lease renewal requests in the Superior National Forest due to the unacceptable risks to this watershed, which according to the Forest Service holds 20 percent of the National Forest System's fresh water supply. Undermine the National Environmental Policy Act by limiting review of these two mineral leases to a 30-day environmental assessment. Contrary to the bill language, there is no `pending EA.' However, this section would override the ongoing two-year Environmental Impact Statement (EIS) initiated by the Forest Service and Bureau of Land Management to carefully consider the potential impacts of sulfide-ore mining on the Boundary Waters watershed. The ongoing EIS is strongly supported by Minnesota's Governor Dayton and by the citizens of Minnesota. More than 79% of Minnesota voters support the study, while more than 126,000 citizens submitted comments during the scoping phase. Amend the 1906 Antiquities Act by mandating Congressional approval for any national monument designations in Minnesota's national forests. The Antiquities Act is a bipartisan conservation law, which has been used by Presidents of both parties, to protect irreplaceable federal lands from potential threats. Monument designations under the Antiquities Act have provided protection for areas including the Grand Canyon, Acadia, Zion, Muir Woods, and Olympic National Parks. Quite simply, this attack on the Antiquities Act is an attack against our national parks and monuments. Amend the 1976 Federal Land Policy and Management Act (FLPMA) by mandating Congressional approval for mineral withdrawals in Minnesota's national forests. Additionally, FLPMA intentionally left intact the presidential power to protect public lands as monuments. Bar the Forest Service from complying with its legal obligations under the 1978 Boundary Waters Wilderness Act. In this Act Congress requires the Forest Service to maintain the high-water quality of the Boundary Waters and a Mining Protection Area within the Superior National Forest. The Forest Service concluded that sulfide-ore mining near the Boundary Waters would be ``contrary to Congress' determination that it is necessary to `protect the special qualities of the [BWCAW] as a natural forest-lakeland wilderness ecosystem of major esthetic, scientific, recreational and educational value to the Nation.' '' Make all mineral leases on Minnesota's national forests essentially perpetual. The `perpetual' nature of these leases is material change in long-standing mineral leasing law and policy. The bill would also override the two laws (1946 and 1950) on mineral leasing in Minnesota's national forests that require Forest Service consent to any mining. Ignore the request of the International Joint Commission that environmental review of impacts on transboundary water quality and cumulative effects be studied and the requests of four tribal entities (the area is Ceded Territory). Thank you for considering our concerns. In order to adequately protect iconic places like the Boundary Waters, Voyageurs National Park, and all of Minnesota's public lands, and bedrock environmental laws like the Antiquities Act and the National Environmental Policy Act, we urge you to OPPOSE H.R 3905. Sincerely, Allegheny Defense Project, American Bird Conservancy, American Canoe Association, American Rivers, Boundary Waters Trust, Center for Biological Diversity, Clean Water Action, Conservation Lands Foundation, Crow River Trail Guards, Defenders of Wildlife, Earthjustice, Earthworks, Endangered Species Coalition, Environment America, Environmental Law & Policy Center, Environmental Protection Information Center, Ernest C. Oberholtzer Foundation, Freemans Explore LLC, Friends of Bell Smith Springs, Friends of the Boundary Waters Wilderness, Friends of the Land of Keweenaw, Gila Resources Information Project, Great Old Broads for Wilderness, GreenLatinos, Heartwood, Kentucky Heartwood, Klamath Forest Alliance, League of Conservation Voters, Mining Impact Coalition of WI, National Parks Conservation Association, Natural Resources Defense Council, Northeastern Minnesotans for Wilderness, Save Lake Superior Association, Shawnee Forest Sentinels, Sierra Club, Southern Utah Wilderness Alliance, The Conservation Alliance, The Ernest C. Oberholtzer Foundation, The Wilderness Society, Tuleyome, W. J. McCabe (Duluth) Chapter, Izaak Walton League of America, WaterLegacy, Wilderness Watch, Wildlands Network. [[Page H9489]] \_\_\_\_ Mr. McGOVERN. Mr. Speaker, we oppose the overall rule, but I will say to the gentlewoman that we would have no problem even with the closed rule on the brownfields bill, which is one of the bills that I think has bipartisan support and reflects a legitimate process. What we have a problem with is H.R 3905, which we think is a corporate giveaway that puts treasured public lands in the hands of a Chilean mining conglomerate, and we think that is wrong. I agree with the gentlewoman that we ought to be doing important business here, but I would argue that, rather than rewarding some Chilean mining conglomerate, the more important business would be making sure we keep the government open, because we have a government shutdown fast approaching on December 8. I would say to the gentlewoman that we have got to pass the Dream Act and help 800,000 people whose lives have been thrown into turmoil because of this President. {time} 1345 We ought to extend the Children's Health Insurance ***Program***. We ought to debate flood insurance. We ought to pass additional hurricane relief. We ought to address funding for the Vets Choice ***Program***. That is more important, that is more vital to the national interest than basically rewarding some Chilean mining conglomerate. Finally, I would say to my colleagues here that we will ask you to vote to defeat the previous question. We will ask you to defeat the previous question so we can bring up and have a vote on a bill that will require this President and all Presidents and all party nominees to release their taxes. I think the American people have a right to know where the conflicts of interest are with this White House. I think they have a right to know who benefits from this tax bill that we know is a giveaway to corporations that will raise taxes on millions of middle class families. They have a right to know who benefits from this. I am astounded that the bar keeps on getting lower and lower and lower for my Republican friends. I mean, we have daily offensive tweets. We have irrational statements that come out of this White House on a daily basis, and there is silence. When it comes to transparency, when it comes to making sure that there are no conflicts of interest, my Republican colleagues will not even allow us to have a vote on basically requiring this President and all Presidents to release their tax returns. That is not passing judgment on this President. It would be a requirement of all Presidents and nominees. Basically, it is saying, let the sunshine in. Let us make sure that there are no conflicts of interest. That ought to matter, because everything that comes out of this House seems to be directed at helping those who are well-off and well-connected. Every corporation is cheering when this House comes up with legislation, whether it is on tax reform or whether it is on helping mining companies, because it always seems to benefit those who are the most well-off. Well, it is about time we put people first. It is about time the American people know what is going on in this government. Let the sunshine in. There is nothing wrong with that. We are doing it this way because it is the only avenue available for us to bring this to a vote, because the Rules Committee and the leadership in this House shuts off debate on issues that they find uncomfortable. This is supposed to be the people's House, not the Russia House. We ought to be a place where we have deliberative engagements, where we discuss important issues, where we do things that benefit the American people. I would say to my colleagues again, vote ``no'' on the previous question so we can have this debate. If you want to help the President cover up his tax returns, fine. You can vote ``no,'' but we ought to have a vote. I don't know why this is so controversial. It, to me, is a no- brainer. Vote ``no'' on the previous question and vote ``no'' on the rule. Mr. Speaker, I yield back the balance of my time. Ms. CHENEY. Mr. Speaker, I yield myself such time as I may consume. I want to thank my colleagues, Mr. McKinley and Mr. Emmer, for their work on these important bills. I want to thank my colleague, Mr. McGovern. I am glad to hear him say that they want to put people first. Mr. Speaker, that is exactly what we are doing; whether we are talking about our tax bill, which is going to put money back in people's pockets; whether we are talking about repealing and replacing ObamaCare, which we have passed through this House; whether we are talking about defense spending that is going to protect the people of this Nation. All across Wyoming, Mr. Speaker, I know my constituents are very grateful that we are now suddenly putting people first after years of putting the government first. We are not doing that anymore, Mr. Speaker. It is true, this is the people's House. And in this House, Mr. Speaker, we ought to always live by and remember the rules of Alexander Hamilton: ``Here, sir, the people govern.'' In this House, Mr. Speaker, we are charged with carrying out the obligations of the people who elected us. The bills and the rule that we are debating today do just that. Both of these bills are absolutely critical for spurring economic development across our country. Therefore, Mr. Speaker, I urge adoption of both the rule and of these underlying bills. The material previously referred to by Mr. McGovern is as follows: An Amendment to H. Res. 631 Offered by Mr. McGovern At the end of the resolution, add the following new sections: Sec. 3. Immediately upon adoption of this resolution the Speaker shall, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R      305) to amend the Ethics in Government Act of 1978 to require the disclosure of certain tax returns by Presidents and certain candidates for the office of the President, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided among and controlled by the respective chairs and ranking minority members of the Committees on Ways and Means and Oversight and Government Reform. After general debate the bill shall be considered for amendment under the five-minute rule. All points of order against provisions in the bill are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. If the Committee of the Whole rises and reports that it has come to no resolution on the bill, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of rule XIV, resolve into the Committee of the Whole for further consideration of the bill. Sec. 4. Clause 1(c) of rule XIX shall not apply to the consideration of H.R 305. \_\_\_\_ The Vote on the Previous Question: What It Really Means This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the Democratic minority to offer an alternative ***plan***. It is a vote about what the House should be debating. Mr. Clarence Cannon's Precedents of the House of Representatives (VI, 308-311), describes the vote on the previous question on the rule as ``a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ``the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ``The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.'' The Republican majority may say ``the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative [[Page H9490]] Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: ``Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule. . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.'' In Deschler's Procedure in the U.S House of Representatives, the subchapter titled ``Amending Special Rules'' states: ``a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: ``Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.'' Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative ***plan***. Ms. CHENEY. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution. The SPEAKER pro tempore. The question is on ordering the previous question. The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it. Mr. McGOVERN. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered. The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of adoption of the resolution. The vote was taken by electronic device, and there were--yeas 227, nays 189, not voting 17, as follows: [Roll No. 640] YEAS--227 Abraham Aderholt Allen Amash Amodei Arrington Babin Bacon Banks (IN) Barletta Barr Barton Bergman Biggs Bilirakis Bishop (MI) Bishop (UT) Black Blackburn Blum Bost Brady (TX) Brat Brooks (AL) Brooks (IN) Buchanan Buck Bucshon Budd Burgess Byrne Calvert Carter (GA) Carter (TX) Chabot Cheney Coffman Cole Collins (GA) Collins (NY) Comer Comstock Conaway Cook Costello (PA) Cramer Crawford Culberson Curbelo (FL) Curtis Davidson Davis, Rodney Denham Dent DeSantis DesJarlais Diaz-Balart Donovan Duffy Duncan (SC) Duncan (TN) Dunn Emmer Estes (KS) Farenthold Faso Ferguson Fitzpatrick Fleischmann Flores Fortenberry Foxx Franks (AZ) Frelinghuysen Gaetz Gallagher Garrett Gianforte Gibbs Gohmert Goodlatte Gosar Gowdy Granger Graves (GA) Graves (LA) Griffith Grothman Guthrie Handel Harper Harris Hensarling Hice, Jody B. Higgins (LA) Hill Holding Hollingsworth Hudson Huizenga Hultgren Hunter Hurd Issa Jenkins (KS) Jenkins (WV) Johnson (LA) Johnson (OH) Johnson, Sam Jordan Joyce (OH) Katko Kelly (MS) Kelly (PA) King (IA) King (NY) Kinzinger Knight Kustoff (TN) Labrador LaHood LaMalfa Lamborn Lance Latta Lewis (MN) LoBiondo Loudermilk Love MacArthur Marchant Marino Marshall Massie Mast McCarthy McCaul McClintock McHenry McKinley McMorris Rodgers McSally Meadows Meehan Messer Mitchell Moolenaar Mooney (WV) Mullin Newhouse Noem Norman Nunes Olson Palazzo Palmer Paulsen Pearce Perry Pittenger Poe (TX) Poliquin Ratcliffe Reed Reichert Renacci Rice (SC) Roby Roe (TN) Rogers (AL) Rogers (KY) Rohrabacher Rokita Rooney, Francis Rooney, Thomas J. Ros-Lehtinen Roskam Ross Rothfus Rouzer Royce (CA) Russell Rutherford Sanford Scalise Schweikert Scott, Austin Sensenbrenner Sessions Shimkus Shuster Simpson Smith (NE) Smith (NJ) Smith (TX) Smucker Stefanik Stewart Taylor Tenney Thompson (PA) Thornberry Tiberi Tipton Trott Turner Upton Valadao Walberg Walden Walker Walorski Walters, Mimi Weber (TX) Webster (FL) Wenstrup Westerman Williams Wilson (SC) Wittman Womack Woodall Yoder Yoho Young (AK) Young (IA) Zeldin NAYS--189 Adams Aguilar Barragan Bass Beatty Bera Beyer Bishop (GA) Blumenauer Blunt Rochester Bonamici Boyle, Brendan F. Brady (PA) Brown (MD) Brownley (CA) Bustos Capuano Carbajal Cardenas Carson (IN) Cartwright Castor (FL) Castro (TX) Chu, Judy Cicilline Clark (MA) Clarke (NY) Clay Cleaver Clyburn Cohen Connolly Cooper Correa Costa Courtney Crist Crowley Cuellar Cummings Davis (CA) Davis, Danny DeFazio DeGette Delaney DeLauro DelBene Demings DeSaulnier Deutch Dingell Doggett Doyle, Michael F. Ellison Engel Eshoo Espaillat Esty (CT) Evans Foster Frankel (FL) Fudge Gabbard Gallego Garamendi Gomez Gonzalez (TX) Gottheimer Green, Al Green, Gene Grijalva Gutierrez Hanabusa Hastings Heck Higgins (NY) Himes Hoyer Huffman Jackson Lee Jeffries Johnson (GA) Johnson, E. B. Jones Kaptur Keating Kelly (IL) Khanna Kihuen Kildee Kilmer Kind Krishnamoorthi Kuster (NH) Langevin Larsen (WA) Lawrence Lawson (FL) Lee Levin Lewis (GA) Lieu, Ted Lipinski Loebsack Lofgren Lowenthal Lowey Lujan Grisham, M. Lujan, Ben Ray Lynch Maloney, Carolyn B. Maloney, Sean Matsui McCollum McEachin McGovern McNerney Meeks Meng Moore Moulton Murphy (FL) Nadler Napolitano Neal Nolan Norcross O'Halleran O'Rourke Pallone Panetta Pascrell Payne Pelosi Perlmutter Peters Peterson Pingree Polis Price (NC) Quigley Raskin Rice (NY) Richmond Rosen Roybal-Allard Ruiz Ruppersberger Rush Ryan (OH) Sanchez Sarbanes Schakowsky Schiff Schneider Schrader Scott (VA) Scott, David Serrano Sewell (AL) Shea-Porter Sherman Sinema Sires Slaughter Smith (WA) Soto Speier Suozzi Swalwell (CA) Takano Thompson (CA) Thompson (MS) Titus Tonko Torres Tsongas Vargas Veasey Vela Velazquez Visclosky Walz Wasserman Schultz Waters, Maxine Watson Coleman Welch Wilson (FL) Yarmuth NOT VOTING--17 Bridenstine Butterfield Conyers Graves (MO) Hartzler Herrera Beutler Jayapal Kennedy Larson (CT) Long Lucas Luetkemeyer Pocan Posey Smith (MO) Stivers Wagne {time} 1413 So the previous question was ordered. The result of the vote was announced as above recorded. The SPEAKER pro tempore (Mr. Valadao). The question is on the resolution. The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it. Recorded Vote Mr. McGOVERN. Mr. Speaker, I demand a recorded vote. A recorded vote was ordered. The SPEAKER pro tempore. This is a 5-minute vote. The vote was taken by electronic device, and there were--ayes 228, noes 186, not voting 19, as follows: [Roll No. 641] AYES--228 Abraham Aderholt Allen Amash Amodei Arrington Babin Bacon Banks (IN) Barletta Barr Barton Bergman Biggs Bilirakis Bishop (MI) Bishop (UT) Black Blackburn Blum Bost Brady (TX) Brat Brooks (AL) Brooks (IN) Buchanan Buck Bucshon Budd Burgess Byrne Calvert Carter (GA) Carter (TX) Chabot Cheney Coffman Cole Collins (GA) Collins (NY) Comer Comstock Conaway Cook Costello (PA) Cramer Crawford Culberson Curbelo (FL) Curtis Davidson Davis, Rodney Denham Dent DeSantis DesJarlais Diaz-Balart Donovan Duffy Duncan (SC) Duncan (TN) Dunn Emmer Estes (KS) Farenthold Faso Ferguson Fitzpatrick Fleischmann Flores Fortenberry Foxx Franks (AZ) Frelinghuysen Gaetz Gallagher Garrett Gianforte Gibbs Gohmert Goodlatte Gosar Gowdy Granger Graves (GA) Graves (LA) Griffith Grothman Guthrie Handel Harper Harris Hensarling Hice, Jody B. Higgins (LA) Hill Holding Hollingsworth Hudson Huizenga Hultgren Hunter Hurd Issa Jenkins (KS) Jenkins (WV) Johnson (LA) Johnson (OH) Johnson, Sam Jones Jordan Joyce (OH) Katko Kelly (MS) Kelly (PA) King (IA) King (NY) Kinzinger Knight Kustoff (TN) Labrador LaHood LaMalfa [[Page H9491]] Lamborn Lance Latta Lewis (MN) LoBiondo Loudermilk Love MacArthur Marchant Marino Marshall Massie Mast McCarthy McCaul McClintock McHenry McKinley McMorris Rodgers McSally Meadows Meehan Messer Mitchell Moolenaar Mooney (WV) Mullin Newhouse Noem Norman Nunes Olson Palazzo Palmer Paulsen Pearce Perry Pittenger Poe (TX) Poliquin Ratcliffe Reed Reichert Renacci Rice (SC) Roby Roe (TN) Rogers (AL) Rogers (KY) Rohrabacher Rokita Rooney, Francis Rooney, Thomas J. Ros-Lehtinen Roskam Ross Rothfus Rouzer Royce (CA) Russell Rutherford Sanford Scalise Schweikert Scott, Austin Sensenbrenner Sessions Shimkus Shuster Simpson Smith (NE) Smith (NJ) Smith (TX) Smucker Stefanik Stewart Taylor Tenney Thompson (PA) Thornberry Tiberi Tipton Trott Turner Upton Valadao Walberg Walden Walker Walorski Walters, Mimi Weber (TX) Webster (FL) Wenstrup Westerman Williams Wilson (SC) Wittman Womack Woodall Yoder Yoho Young (AK) Young (IA) Zeldin NOES--186 Adams Aguilar Barragan Bass Beatty Bera Beyer Bishop (GA) Blumenauer Blunt Rochester Bonamici Boyle, Brendan F. Brady (PA) Brown (MD) Brownley (CA) Bustos Capuano Carbajal Cardenas Carson (IN) Cartwright Castor (FL) Castro (TX) Chu, Judy Cicilline Clark (MA) Clarke (NY) Clay Cleaver Clyburn Cohen Connolly Cooper Correa Costa Courtney Crist Crowley Cuellar Cummings Davis (CA) Davis, Danny DeFazio DeGette Delaney DeLauro DelBene Demings DeSaulnier Deutch Dingell Doggett Doyle, Michael F. Ellison Engel Eshoo Espaillat Esty (CT) Evans Foster Frankel (FL) Fudge Gabbard Gallego Garamendi Gomez Gonzalez (TX) Gottheimer Green, Al Green, Gene Grijalva Gutierrez Hanabusa Hastings Heck Higgins (NY) Himes Hoyer Huffman Jackson Lee Jeffries Johnson (GA) Johnson, E. B. Kaptur Keating Kelly (IL) Khanna Kihuen Kildee Kilmer Kind Krishnamoorthi Kuster (NH) Langevin Larsen (WA) Larson (CT) Lawrence Lawson (FL) Lee Levin Lieu, Ted Lipinski Loebsack Lofgren Lowenthal Lowey Lujan Grisham, M. Lujan, Ben Ray Lynch Maloney, Carolyn B. Maloney, Sean Matsui McCollum McEachin McGovern McNerney Meeks Meng Moore Moulton Murphy (FL) Napolitano Neal Nolan Norcross O'Halleran O'Rourke Pallone Panetta Pascrell Payne Pelosi Perlmutter Peters Peterson Pingree Polis Price (NC) Quigley Raskin Rice (NY) Richmond Rosen Roybal-Allard Ruiz Ruppersberger Rush Ryan (OH) Sanchez Sarbanes Schakowsky Schiff Schneider Schrader Scott (VA) Scott, David Serrano Sewell (AL) Shea-Porter Sherman Sinema Sires Slaughter Smith (WA) Soto Speier Swalwell (CA) Takano Thompson (CA) Thompson (MS) Titus Tonko Torres Tsongas Vargas Veasey Vela Velazquez Visclosky Walz Wasserman Schultz Waters, Maxine Watson Coleman Welch Wilson (FL) Yarmuth NOT VOTING--19 Bridenstine Butterfield Conyers Graves (MO) Hartzler Herrera Beutler Jayapal Kennedy Lewis (GA) Long Lucas Luetkemeyer Nadler Pocan Posey Smith (MO) Stivers Suozzi Wagner {time} 1421 So the resolution was agreed to. The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

**Load-Date:** December 2, 2017

**End of Document**



[***Register of Commission documents: European Maritime and Fisheries Fund Document date: 2017-06-15 EPRS\_BRI(2017)607254 Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NYF-9F71-F0YC-N348-00000-00&context=1516831)

Impact News Service

July 5, 2017 Wednesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 10386 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

Briefing How the EU budget is spent June 2017 EPRS | European Parliamentary Research Service Authors: Magdalena Sapała and Jean Weissenberger Members' Research Service PE 607.254 EN European Maritime and Fisheries Fund In a nutshell The €6 396.6 million European Maritime and Fisheries Fund (EMFF) is the smallest of the European Structural and Investment Funds for the 2014-2020 period, but it is the major financial tool supporting the EU common fisheries policy (CFP). Slightly less than half of the Fund is dedicated to promoting sustainable fisheries and to fostering sustainable aquaculture. Another significant share contributes to proper implementation of the CFP, particularly for data collection and science-based needs, and control and enforcement of rules. A small part of the EMFF is also aimed at supporting an integrated maritime policy (IMP) for the EU. EU Multiannual Financial Framework (MFF) heading and policy area Heading 2 – Sustainable Growth: Natural resources 2014-20 financial envelope (in current prices and as % of total MFF)1 Commitments: €6 396.6 million (0.59 %) 2016 budget (in current prices and as % of total EU budget)2 Commitments: €891.36 million (0.57 %) Payments: €431.85 million (0.32 %) 2017 budget (in current prices and as % of total EU budget) Commitments: €911.74 million (0.58 %) Payments: €577.38 million (0.43 %) Methods of implementation Shared management (European Commission and Member States): €5 749 million Direct management (European Commission): €648 million In this briefing:  EU role in fisheries and maritime affairs: legal basis  EMFF objectives and financing priorities  Financial allocation  Assessment of the EMFF  Other EU ***programmes*** and action in the same field EPRS European Maritime and Fisheries Fund Members' Research Service Page 2 of 10 EU role in fisheries and maritime affairs: legal basis The Treaties provide that the Union must define and implement a common ***agriculture*** and fisheries policy.

***Agriculture*** and fisheries are dealt with therein under the same heading and objectives (Title III TFEU). Fisheries products are included as part of the definition of ***agriculture*** products and references to ***agriculture*** shall be understood as also referring to fisheries, having regard to the specific characteristics of this sector. The Treaties provide the Union with exclusive competence concerning 'the conservation of marine biological resources under the common fisheries policy (CFP)', while other fisheries areas fall under shared competence (Articles 3 and 4 TFEU). The first Community rules on a common market organisation (CMO) in the fisheries sector, as well as a structural policy for fisheries, appeared in the 1970's. The CFP not only covers fishing activities at sea, but also aquaculture (the farming of fish, shellfish and other aquatic animals, and the cultivation of algae and aquatic plants), and the processing and marketing of fishery and aquaculture products. The CFP was the object of a fundamental review by the European Parliament and the Council a few years ago, to address some major long-lasting deficiencies, notably over-fishing. The CFP is now subject to the general framework established under a new CFP 'Basic Regulation' (No 1380/2013). Its general objective is to ensure that fishing and aquaculture activities are environmentally sustainable and managed in a way that is consistent with the objectives of achieving economic, social and employment benefits, and of contributing to the availability of food supplies. Regarding management of fishing activities, the reformed CFP must notably be based on the precautionary approach and the ecosystembased approach, and it aims at restoring and maintaining populations of harvested species above levels which can ***produce*** the maximum sustainable yield (MSY).3 Another significant shift in fisheries management, decided in this CFP reform, is to gradually eliminate discards and ensure that all catches are actually landed. This new 'CFP Basic Regulation' was adopted in parallel to a new legislative framework on the common organisation of the markets in fishery and aquaculture products (Regulation 1379/2013), and followed by the adoption of a dedicated financial instrument: the European Maritime and Fisheries Fund (EMFF). Governed under Regulation 508/2014, (the EMFF Regulation), this Fund aims at providing the EU and the Member States with the financial means to underpin the objectives of this new CFP. In this regard, this Fund continues the succession of specific EU financial instruments aimed at supporting the EU fisheries sector, the first of which was created in 1994. In 1994-2006, the fund was known as the Financial Instrument for Fisheries Guidance (FIFG). In the 2007-2013 period it was renamed the European Fisheries Fund (EFF), before being entitled the European Maritime and Fisheries Fund (EMFF) under the current 2014-2020 Multiannual Financial Framework. Beyond providing a financial instrument mainly dedicated to supporting the CFP objectives, this EMFF was also set up as a tool to sustain funding for the implementation and development of an integrated maritime policy (IMP) for the EU. The objective of the IMP is to support the sustainable use of seas and oceans and to develop coordinated, coherent and transparent decision-making in relation to the policies affecting the oceans, seas, islands, coastal and outermost regions and maritime sectors. Initiated a decade ago (see Commission communication COM(2007) 574), the IMP for the EU does not develop as such relying on one specific legal base of the Treaties, but touches upon numerous EU policies such as transport, industry competitiveness, research and technological EPRS European Maritime and Fisheries Fund Members' Research Service Page 3 of 10 development, environment, energy and tourism, with impact in terms of economic, social, and territorial cohesion. In the 2014-2020 Multiannual Financial Framework (MFF), the EMFF is one of five European Structural and Investment Funds (ESI Funds), which make up the Union's financial support for the strengthening of its economic, social, and territorial cohesion (Article 174 TFEU) (figure 1). Therefore, the financial management and implementation of the EMFF is not only based on the provisions established in the specific EMFF Regulation (EU) No 508/2014, but is also governed by Regulation (EU) No 1303/2013 laying down common provisions on the ESI Funds, known as the Common Provisions Regulation (CPR). Integration of the EMFF into the legal framework of the ESI Funds aims at improving their coordination and synergies and, thereby, at enhancing their impact on the development of the EU regions. As far as the financial implementation of the EMFF is concerned, part of the Fund is subject to shared management (implementation by the European Commission with Member States), the other part is subject to direct management (implementation by the Commission alone). The CPR, notably Part Four thereof (which provides rules on management and control, financial management, accounts and financial corrections), applies however only to the EMFF budget that is spent under shared management (see box 1). Box 1 – Shared and direct management of the EMFF. About 90 % (€5 749 million) of the EMFF is spent under the shared management (Article 58b and 59 of the Financial Regulation 966/2012), which involves both the European Commission and Member States. The measures financed from this part of the EMFF budget are subject to the provisions of the CPR (the ESI Funds) and the EMFF Regulation. As in the case of the other ESI Funds, the co-financed actions are specified in the operational ***programmes*** prepared by the Member States and approved by the European Commission. Roughly 10 % (€648 million) of the total EMFF budget in 2014-2020 is spent under direct management (Article 58a of the Financial Regulation 966/2012), i.e by the European Commission or, on its behalf, by the Executive Agency for Small and Medium-sized Enterprises (EASME). The measures financed from this part of the EMFF budget are outlined in the EMFF Regulation and specified in the Commission's annual work ***programme***. The implementation of the 2017 work ***programme*** is supported with €75.6 million from the EU budget.4 EMFF objectives and financing priorities A financial tool supporting the aims of the CFP, the EMFF must also contribute to the thematic objectives of the ESI Funds and more generally to the Europe 2020 ***strategic*** goals.5 The EMFF Regulation provides that this Fund aims at contributing to the achievement of the following objectives: Figure 1 – The European Structural and Investment Funds EPRS European Maritime and Fisheries Fund Members' Research Service Page 4 of 10  Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture;  Fostering the implementation of the CFP;  Promoting a balanced and inclusive territorial development of fisheries and aquaculture areas;  Fostering the development and implementation of the Union's IMP in a manner complementary to cohesion policy and to the CFP. Measures financed under shared management The part of the Fund under shared management covers six main Union priorities, each of these being divided into several specific objectives: (1) Promoting sustainable fisheries (e.g through ensuring a balance between fishing capacity and available fishing opportunities,6 reduction of the environmental impact of fisheries, notably unwanted catches, and improvement of safety and working conditions); (2) Fostering sustainable aquaculture (e.g through innovation and technological development, professional training and promotion of resource-efficiency, environmental protection, animal health and welfare, and public health and safety in aquaculture); (3) Fostering the implementation of the CFP (notably through improving the science base and support to control and enforcement); (4) Increasing employment and territorial cohesion (e.g through the promotion of job creation, and support for employability and labour mobility, including diversification of activities); (5) Fostering marketing and processing of fishery and aquaculture products (by improving market organisation and encouragement of investment in these sectors); (6) Fostering the implementation of the IMP. The Fund also provides for additional compensations in outermost regions. The EMFF can support numerous types of measures. Depending on the type of measure, the financial support is destined to some categories of beneficiaries, being it private operators (in fishing, aquatic farming, processing and marketing); public bodies; or different types of stakeholder organisations, such as professional or ***producer*** organisations (POs), NGOs, and advisory councils (ACs). A community-led local development (CLLD) approach (as set out in Article 32 of the CPR) is also promoted, with specific support for fisheries local action groups (FLAGs) and their networking activities (FARNET). Table 1 below provides a general overview of the main categories of eligible measures under shared management. While some measures are fishing-specific by nature, other types of measures – notably to promote sustainable aquaculture or territorial cohesion in fisheries and aquaculture areas – to some extent mirror measures benefiting from EU funding under the common ***agriculture*** policy (pillar I and pillar II). EPRS European Maritime and Fisheries Fund Members' Research Service Page 5 of 10 Table 1 – Main measures supported by EMFF under shared management7 Priorities and main types of EMFF eligible measures (shared management) Possible beneficiaries Sustainable development of fisheries (see EMFF Regulation: Title V, Chapter I) Operators (vessel owners, fishermen...) Public bodies (incl. scientists) Others (POs, NGOs, FLAGs...) Innovation projects (products, equipment, processes, techniques organisation systems...) ● ● Advisory services, feasibility studies and advice (for sustainability or competitiveness) ● ● Scientists-fishermen partnership (creation of networks and joint activities) ● ● ● Promotion of human capital, job creation, social dialogue (training, best practices exchanges...) ● Diversification and new forms of income (investments), best practices exchanges...) ● Start up support for young fishermen ● Health and safety (investments on board and equipment) ● Cessation of fishing activities under conditions - Temporarily (e.g under emergency closures, non-renewal of a fisheries agreement). - Permanently (scrapping of vessel when part of a ***plan*** to reduce fishing capacity) ● Mutual funds compensating losses due to climatic events and environmental incidents ● Support for systems of allocation of fishing opportunities ● ● Support for the design and implementation of conservation measures and regional cooperation ● ● ● Limitation of environmental impact of fishing (equipment, e.g for better selectivity) ● ● Innovation related to conservation of marine resources ● ● Environment protection and compensation regimes (e.g waste collection, Natura 2000 measures) ● ● ● Energy efficiency and climate change mitigation (e.g investment equipment, audits, studies) ● Added value, product quality and use of unwanted catches (investments, e.g for direct sale) ● Fishing ports, landing site auction halls, shelters (improvement of infrastructures) ● ● Inland fishing (investments for operators) and protection of aquatic fauna and flora (Natura 2000) ● ● Sustainable development of aquaculture (see EMFF Regulation: Title V, Chapter II) Operators (aquaculture enterprises...) Public bodies (incl. scientists) Others (POs, NGOs, FLAGs...) Innovation (for more sustainable production, new farmed species, innovative products ...) ● ● Productive investments ● Management, relief and advisory services (for sustainability or competitiveness) ● ● ● Promotion of human capital and networking (training, working conditions, best practices...) ● ● Increasing aquaculture sites potential (e.g spatial ***planning***, control of predators and diseases) ● ● New aquaculture farmers (setting up of micro and small enterprises ) ● Conversion to eco-management and audit schemes (EMAS) and organic aquaculture (compensation for costs and conversion losses) ● Aquaculture providing environmental services (compensation for costs or income foregone) ● Public health measures (compensation to harvest suspension imposed on mollusc farmers) ● Animal health and welfare (e.g disease control, best practices, health protection groups...) ● ● ● Aquaculture stock insurance (natural disasters, climatic events, sudden water quality changes...) ● Sustainable development of fisheries and aquaculture areas Follows a community-led local development (CLLD) approach (see EMFF Regulation: Title V, Chapter III) Operators Public bodies Others (FLAGs) Support for CLLD (preparatory support, implementation of CLLD strategies, cooperation activities, running costs and animation) ● Marketing and processing related measures concerning fishery and aquaculture products (see EMFF Regulation: Title V, chapter IV) Operators Public bodies Others (primarily POs) Production and marketing ***plans*** (preparation and implementation expenditure) ● Storage aid (for fishery products only) ● Marketing measures (e.g creation of POs, traceability measures, promotional campaigns) ● Processing (investments; e.g energy saving, hygiene improvement, new products, organic goods) ● Compensation for additional costs in outermost regions concerning fishery and aquaculture products (see EMM Regulation: Title V, Chapter V) Operators (in fishing, farming, fish processing, marketing) Public bodies Others Compensation of additional costs (resulting from the specific handicap of the region concerned or other type of public ***intervention*** affecting the level of additional costs) ● EPRS European Maritime and Fisheries Fund Members' Research Service Page 6 of 10 Accompanying measures for the CFP (also applicable to operations outside EU territory) (see EMM Regulation: Title V, Chapter VI) Operators Public bodies Others Support for control and enforcement (electronic detection and transmission systems, data exchanges between Member States, control means, including patrol vessels and aircrafts, training...) ● ● ● Support for data collection (for scientific analysis and CFP implementation, including at-sea monitoring and data management systems) ● IMP measures (see EMM Regulation: Title V, Chapter VIII) Operators Public bodies Others Support for operations contributing to integrated maritime surveillance IMS (notably the common information sharing environment CISE) and promoting the protection of marine environment (notably under the Nature Directives and the Marine Strategy Framework Directive ● Notwithstanding some possible specific conditions associated with the above-listed types of measures, certain operations are not eligible under the EMFF (especially in consideration of their possible effects on conservation of aquatic resources). Ineligibility particularly concerns those operations that could lead to an increase in fishing capacity, to construction of new fishing vessels or to transfer of ownership of a business. Similarly, exploratory fishing or direct restocking in general cannot benefit from EMFF support. The EMFF may also support some measures of technical assistance for Member States (see Article 59 of the CPR) and the establishment of national networks between FLAGs. Measures financed under direct management Part of the EMFF is available to the European Commission for direct management. It must contribute to developing the Union's IMP and to facilitating the implementation of the CFP and the IMP (table 2). Table 2 – Main measures supported by the EMFF under direct management Priorities for EMFF budget under direct management (see EMFF Regulation: Title VI and Annex III) Indicative distribution of fund Enhancing the development and implementation of the IMP (45 %) Objectives Eligible operations - Development and implementation of integrated governance of maritime affairs and coastal affairs - Studies and projects - Information and communication, best practice sharing, dissemination activities, conferences, seminars, workshops - Coordination activities - Development and operation of IT systems and networks - Training projects 5 % - Development of cross-sectorial initiatives 33 % - Support for sustainable economic growth, employment, innovation and new technologies 2 % - Promotion of the protection of the marine environment 5 % Accompanying measures for the CFP and IMP (55 %) Objectives Eligible operations - Collection, management and dissemination of scientific advice under the CFP - Studies, provision of scientific advice, expert meetings, atsea surveys, support services, cooperation activities... 11 % - Specific control and enforcement measures under the CFP - Joint purchase or chartering of controls means (patrol vessel, aircraft...), new technologies and exchanges of data, expenditure related to control and evaluation... 19 % - Voluntary contributions to international organisations - Contribution to organisations (or preparation of new organisations) active in the field of the law of the sea and to their work 10 % - Advisory Councils (ACs) and communication activities under the CFP and IMP - Operating costs of the ACs (established by Article 43 of the CFP basic Regulation) - Information and communication actions, stakeholders and experts travel costs when invited to commission meetings... 9 % - Market intelligence, including the establishment of electronic markets - Development and dissemination of market intelligence for fishery and aquaculture products by the Commission 6 % The EMFF may also support some measures of technical assistance at the initiative of the European Commission (see Article 58 of the CPR), as well as some of the costs concerning the external dimension of the CFP (i.e preparation and monitoring of sustainable EPRS European Maritime and Fisheries Fund Members' Research Service Page 7 of 10 fisheries partnership agreements and Union participation in regional fisheries management organisations), and the establishment of a European network of FLAGs. Financial allocation The EMFF allocation represents only about 0.6 % of the total 2014-2020 MFF. It is part of heading 2 'Sustainable growth: natural resources’', which also covers the common ***agricultural*** policy, rural development, and environment and climate action (LIFE), as well as EU fisheries expenditure not included in the EMFF, such as payments for international fisheries agreements and obligatory contributions to Regional Fisheries Management Organisations (RFMOs). Out of the total €6 396.6 million allocated to the EMFF in 2014-2020, €647.3 million is managed directly by the Commission. Some €5 749.3 million is spent in the framework of the ESI Funds, managed by the Commission and the Member States together. The distribution of the Fund between the Member States was set according to the following criteria:8  the level of employment in the fisheries and marine and fresh water aquaculture sectors, including employment in related processing;  the level of production in the fisheries and marine and fresh water aquaculture sectors, including related processing; and  the share of small-scale coastal fishing fleet in the overall fishing fleet. In the 2014-2020 MFF, all Member States except Luxembourg are eligible for EMFF support. In order to receive support from the Fund, each Member State has to fulfil ex-ante requirements, also known as 'ex-ante conditionalities' (Annex IV of the EMFF Regulation). Member States must have fulfilled their obligations under the CFP Basic Regulation to establish a national ***strategic*** ***plan*** on aquaculture and to report, each year, on the balance between the fishing capacity of their fleets and their fishing opportunities. Moreover, they must have the administrative capacity to implement specific aspects of the fisheries policy (data collection, control and enforcement). In accordance with the principle of additionality, the EU contribution from the EMFF has to be matched with additional expenditure by the Member State. Taking into account the EMFF and the Member States' contributions, the total support for the objectives and measures defined under EMFF in 2014-2020 amounts to €7 989.46 million.9 The biggest beneficiary of the Fund is Spain, followed by France, Italy and Poland (figure 2). As with the other ESI Funds, the Member States have to draw up an operational ***programme*** including the strategy and arrangements for spending their allocation and actions to be co-financed by the EMFF. The ***programmes*** have to be tailored to the priorities of the EU common ***strategic*** framework and in line with the national partnership agreements (agreed with the European Commission and describing how an individual Member State is going to use the ESI Funds). Once the Commission approves the EMFF operational ***programme***, the national authorities can begin the implementation phase. The process is managed in the Member States by a special Managing Authority, which also serves as a central contact point for the bodies interested in the funding.10 EPRS European Maritime and Fisheries Fund Members' Research Service Page 8 of 10 Figure 2 – EMFF allocation per Member State and additional national contributions (€ million, MFF 2014-2020). Data source: European Commission, DG Regio, Cohesion Data, [accessed on 3 April 2017]. Based on the approved operational ***programmes***, almost 48 % of the Fund in the Member States is dedicated to two out of the six main Union priorities, namely the promotion of sustainable fisheries and the fostering of sustainable aquaculture (figure 3). About €1.1 billion supports the implementation of the CFP, notably to improve the scientific basis and to support control and enforcement of rules.11 Figure 3 – EMFF contribution to the Union priorities (shared management) Data source: European Commission Facts and figures on the common fisheries policy, Basic statistical data, 2016 edition. Implementation progress in 2014-2020 Due to the late adoption of the 2014-2020 MFF and the late agreement on the EMFF regulatory framework, the implementation of the Fund has been delayed. According to the Commission's Open Data Platform, in February 2017 only 2.1 % of the total (EU and the Member States) 2014-2020 allocation was decided, i.e distributed among the selected projects, and 0.3 % was reported as spent. The best progress was noted in Denmark (24.8 % of the allocation was decided), Finland (17 %) and Ireland (12.7 %). EPRS European Maritime and Fisheries Fund Members' Research Service Page 9 of 10 In order to address the frequent data gaps that appeared when the previous EU funds in support of the CFP were assessed,12 a new approach to indicators and evaluation was introduced for the EMFF 2014-2020. Based on a common monitoring and evaluation system, the approach includes a set of common indicators, evaluation ***plan*** and bi-annual reporting obligations.13 The Commission must present a first, comprehensive, mid-term review of the implementation of the EMFF to the European Parliament and the Council before 30 June 2017. Other EU ***programmes*** and action in the same field The EMFF contains specific provisions adapted to the objectives and particularities of the CFP and the IMP sectors. However, it also aims at complementing the ESI Funds under the CPR in supporting cohesion policy and maximising synergies between EU financial instruments,14 while avoiding double funding. Member States' operational ***programmes*** for the EMFF must include information on complementarity and coordination with ESI Funds and other relevant Union and national funding instruments. Moreover, separately to the EMFF, the EU budget supports EU action in fisheries and maritime matters, particularly in support of the external dimension of the CFP. Therefore, €138.4 million under the 2017 budget is dedicated to the EU's participation and contributions to international bodies responsible for the conservation and the management of living resources in certain seas and oceans around the world (Regional Fisheries Management Organisations – RFMOs) and to the Sustainable Fisheries Partnership Agreements (SFPAs) between the EU and some third countries. Endnotes 1 All MFF figures are based on data on the 2014-2020 MFF as established by Council Regulation No 1311/2013 (excluding adjustments) published by the Commission ([*http://ec.europa.eu/budget/mff/figures/index\_en.cfm*](http://ec.europa.eu/budget/mff/figures/index_en.cfm) [accessed on 10 April 2017]). 2 The 2016 and 2017 annual figures, based on data from Annex 3 in: A. D'Alfonso, A. Delivorias, M. Sapala, A. Stuchlik, Economic and budgetary outlook for the EU 2017, EPRS, European Parliament, January 2017. 3 The Maximum Sustainable Yield (MSY) concept on which the new CFP builds is defined as 'the highest theoretical equilibrium yield that can be continuously taken on average from a stock under existing average environmental conditions without significantly affecting the reproduction process'. MSY roughly corresponds to the largest catch of a fish stock that can be taken over an indefinite period without harming it and if other, notably environmental, conditions remain constant. 4 The 2017 allocation is divided between six budget lines: integrated maritime policy (€38.43 million), scientific advice (€8.7 million), control and enforcement (€8.72 million), voluntary contributions to international organisations (€7.97 million), governance and communication (€7.42 million), and market intelligence (€4.37 million). See the Commission implementing decision of 15 December 2016, C(2016) 8422 final. 5 See notably Article 39 TFEU, Article 2 of the CFP Basic Regulation, Article 9 of the CPR Regulation, and the communication 'EUROPE 2020 A strategy for smart, sustainable and inclusive growth' 6 In this regard, the EMFF Regulation also establishes a general condition on the use of the Fund, by providing that the pursuit of its objectives cannot result in an increase in fishing capacity. 7 This table is provided for illustrative purposes only and cannot be considered comprehensive nor accurately reflect all provisions established in the EMFF and for its implementation. 8 See Article 16(a) of the EMFF Regulation: the criteria apply to all measures except those related to control, inspection and the enforcement system, as well as data collection (as specified in Articles 76 and 77 of the EMFF Regulation). The specific criteria for financial distribution of these measures are listed in Article 16(b). 9 European Commission,   [*www.cohesiondata.ec.europa.eu*](http://www.cohesiondata.ec.europa.eu) [accessed on 30 March 2017]. 10 The list of Managing Authorities for each Member State is available at   [*https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/national\_authorities.pdf*](https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/national_authorities.pdf) . 11 It needs to be recalled in this regard that the support for scientific advice and for control and enforcement measures under the CFP also benefits from a further indicative share of 30 % of the around €650 million allocated from the EMFF under direct management by the European Commission. EPRS European Maritime and Fisheries Fund Members' Research Service Page 10 of 10 12 In the 2007-2013 ***programming*** period the EFF had a budget of €4.3 billion. The interim, national evaluations and the Commission’s annual reports on the implementation of the EFF were the basis for the debate on the post-2013 fisheries fund and for the proposal of the EMFF 2014-2020. In November 2016, the Commission presented an ex-post evaluation of the EFF. It analyses the results of the Fund’s ***interventions*** for different spending categories (fisheries, aquaculture, processing, common interest, community development and technical assistance). Notwithstanding the Commission’s evaluations, the European Court of Auditors assessed the effectiveness of EFF support for aquaculture. In its special report published in 2014, the Court stated that overall, the EFF did not offer effective support for the sustainable development of aquaculture. 13 Commission staff working document, 2016 Synthesis of Evaluation Results and ***Plans*** under the ESIF ***Programmes*** 2014-2020, SWD(2016) 447 final, Brussels, 20 December 2016. 14 See, for example, the Commission services' guidance document on how to explore for synergies and combine EMFF with other funds. Disclaimer and Copyright The content of this document is the sole responsibility of the author and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2017.Briefing How the EU budget is spent June 2017 EPRS | European Parliamentary Research Service Authors: Magdalena Sapała and Jean Weissenberger Members' Research Service PE 607.254 EN European Maritime and Fisheries Fund In a nutshell The €6 396.6 million European Maritime and Fisheries Fund (EMFF) is the smallest of the European Structural and Investment Funds for the 2014-2020 period, but it is the major financial tool supporting the EU common fisheries policy (CFP). Slightly less than half of the Fund is dedicated to promoting sustainable fisheries and to fostering sustainable aquaculture. Another significant share contributes to proper implementation of the CFP, particularly for data collection and science-based needs, and control and enforcement of rules. A small part of the EMFF is also aimed at supporting an integrated maritime policy (IMP) for the EU. EU Multiannual Financial Frame

work (MFF) heading and policy area Heading 2 – Sustainable Growth: Natural resources 2014-20 financial envelope (in current prices and as % of total MFF)1 Commitments: €6 396.6 million (0.59 %) 2016 budget (in current prices and as % of total EU budget)2 Commitments: €891.36 million (0.57 %) Payments: €431.85 million (0.32 %) 2017 budget (in current prices and as % of total EU budget) Commitments: €911.74 million (0.58 %) Payments: €577.38 million (0.43 %) Methods of implementation Shared management (European Commission and Member States): €5 749 million Direct management (European Commission): €648 million In this briefing:  EU role in fisheries and maritime affairs: legal basis  EMFF objectives and financing priorities  Financial allocation  Assessment of the EMFF  Other EU ***programmes*** and action in the same field EPRS European Maritime and Fisheries Fund Members' Research Service Page 2 of 10 EU role in fisheries and maritime affairs: legal basis The Treaties provide that the Union must define and implement a common ***agriculture*** and fisheries policy. ***Agriculture*** and fisheries are dealt with therein under the same heading and objectives (Title III TFEU). Fisheries products are included as part of the definition of ***agriculture*** products and references to ***agriculture*** shall be understood as also referring to fisheries, having regard to the specific characteristics of this sector. The Treaties provide the Union with exclusive competence concerning 'the conservation of marine biological resources under the common fisheries policy (CFP)', while other fisheries areas fall under shared competence (Articles 3 and 4 TFEU). The first Community rules on a common market organisation (CMO) in the fisheries sector, as well as a structural policy for fisheries, appeared in the 1970's. The CFP not only covers fishing activities at sea, but also aquaculture (the farming of fish, shellfish and other aquatic animals, and the cultivation of algae and aquatic plants), and the processing and marketing of fishery and aquaculture products. The CFP was the object of a fundamental review by the European Parliament and the Council a few years ago, to address some major long-lasting deficiencies, notably over-fishing. The CFP is now subject to the general framework established under a new CFP 'Basic Regulation' (No 1380/2013). Its general objective is to ensure that fishing and aquaculture activities are environmentally sustainable and managed in a way that is consistent with the objectives of achieving economic, social and employment benefits, and of contributing to the availability of food supplies. Regarding management of fishing activities, the reformed CFP must notably be based on the precautionary approach and the ecosystembased approach, and it aims at restoring and maintaining populations of harvested species above levels which can ***produce*** the maximum sustainable yield (MSY).3 Another significant shift in fisheries management, decided in this CFP reform, is to gradually eliminate discards and ensure that all catches are actually landed. This new 'CFP Basic Regulation' was adopted in parallel to a new legislative framework on the common organisation of the markets in fishery and aquaculture products (Regulation 1379/2013), and followed by the adoption of a dedicated financial instrument: the European Maritime and Fisheries Fund (EMFF). Governed under Regulation 508/2014, (the EMFF Regulation), this Fund aims at providing the EU and the Member States with the financial means to underpin the objectives of this new CFP. In this regard, this Fund continues the succession of specific EU financial instruments aimed at supporting the EU fisheries sector, the first of which was created in 1994. In 1994-2006, the fund was known as the Financial Instrument for Fisheries Guidance (FIFG). In the 2007-2013 period it was renamed the European Fisheries Fund (EFF), before being entitled the European Maritime and Fisheries Fund (EMFF) under the current 2014-2020 Multiannual Financial Framework. Beyond providing a financial instrument mainly dedicated to supporting the CFP objectives, this EMFF was also set up as a tool to sustain funding for the implementation and development of an integrated maritime policy (IMP) for the EU. The objective of the IMP is to support the sustainable use of seas and oceans and to develop coordinated, coherent and transparent decision-making in relation to the policies affecting the oceans, seas, islands, coastal and outermost regions and maritime sectors. Initiated a decade ago (see Commission communication COM(2007) 574), the IMP for the EU does not develop as such relying on one specific legal base of the Treaties, but touches upon numerous EU policies such as transport, industry competitiveness, research and technological EPRS European Maritime and Fisheries Fund Members' Research Service Page 3 of 10 development, environment, energy and tourism, with impact in terms of economic, social, and territorial cohesion. In the 2014-2020 Multiannual Financial Framework (MFF), the EMFF is one of five European Structural and Investment Funds (ESI Funds), which make up the Union's financial support for the strengthening of its economic, social, and territorial cohesion (Article 174 TFEU) (figure 1). Therefore, the financial management and implementation of the EMFF is not only based on the provisions established in the specific EMFF Regulation (EU) No 508/2014, but is also governed by Regulation (EU) No 1303/2013 laying down common provisions on the ESI Funds, known as the Common Provisions Regulation (CPR). Integration of the EMFF into the legal framework of the ESI Funds aims at improving their coordination and synergies and, thereby, at enhancing their impact on the development of the EU regions. As far as the financial implementation of the EMFF is concerned, part of the Fund is subject to shared management (implementation by the European Commission with Member States), the other part is subject to direct management (implementation by the Commission alone). The CPR, notably Part Four thereof (which provides rules on management and control, financial management, accounts and financial corrections), applies however only to the EMFF budget that is spent under shared management (see box 1). Box 1 – Shared and direct management of the EMFF. About 90 % (€5 749 million) of the EMFF is spent under the shared management (Article 58b and 59 of the Financial Regulation 966/2012), which involves both the European Commission and Member States. The measures financed from this part of the EMFF budget are subject to the provisions of the CPR (the ESI Funds) and the EMFF Regulation. As in the case of the other ESI Funds, the co-financed actions are specified in the operational ***programmes*** prepared by the Member States and approved by the European Commission. Roughly 10 % (€648 million) of the total EMFF budget in 2014-2020 is spent under direct management (Article 58a of the Financial Regulation 966/2012), i.e by the European Commission or, on its behalf, by the Executive Agency for Small and Medium-sized Enterprises (EASME). The measures financed from this part of the EMFF budget are outlined in the EMFF Regulation and specified in the Commission's annual work ***programme***. The implementation of the 2017 work ***programme*** is supported with €75.6 million from the EU budget.4 EMFF objectives and financing priorities A financial tool supporting the aims of the CFP, the EMFF must also contribute to the thematic objectives of the ESI Funds and more generally to the Europe 2020 ***strategic*** goals.5 The EMFF Regulation provides that this Fund aims at contributing to the achievement of the following objectives: Figure 1 – The European Structural and Investment Funds EPRS European Maritime and Fisheries Fund Members' Research Service Page 4 of 10  Promoting competitive, environmentally sustainable, economically viable and socially responsible fisheries and aquaculture;  Fostering the implementation of the CFP;  Promoting a balanced and inclusive territorial development of fisheries and aquaculture areas;  Fostering the development and implementation of the Union's IMP in a manner complementary to cohesion policy and to the CFP. Measures financed under shared management The part of the Fund under shared management covers six main Union priorities, each of these being divided into several specific objectives: (1) Promoting sustainable fisheries (e.g through ensuring a balance between fishing capacity and available fishing opportunities,6 reduction of the environmental impact of fisheries, notably unwanted catches, and improvement of safety and working conditions); (2) Fostering sustainable aquaculture (e.g through innovation and technological development, professional training and promotion of resource-efficiency, environmental protection, animal health and welfare, and public health and safety in aquaculture); (3) Fostering the implementation of the CFP (notably through improving the science base and support to control and enforcement); (4) Increasing employment and territorial cohesion (e.g through the promotion of job creation, and support for employability and labour mobility, including diversification of activities); (5) Fostering marketing and processing of fishery and aquaculture products (by improving market organisation and encouragement of investment in these sectors); (6) Fostering the implementation of the IMP. The Fund also provides for additional compensations in outermost regions. The EMFF can support numerous types of measures. Depending on the type of measure, the financial support is destined to some categories of beneficiaries, being it private operators (in fishing, aquatic farming, processing and marketing); public bodies; or different types of stakeholder organisations, such as professional or ***producer*** organisations (POs), NGOs, and advisory councils (ACs). A community-led local development (CLLD) approach (as set out in Article 32 of the CPR) is also promoted, with specific support for fisheries local action groups (FLAGs) and their networking activities (FARNET). Table 1 below provides a general overview of the main categories of eligible measures under shared management. While some measures are fishing-specific by nature, other types of measures – notably to promote sustainable aquaculture or territorial cohesion in fisheries and aquaculture areas – to some extent mirror measures benefiting from EU funding under the common ***agriculture*** policy (pillar I and pillar II). EPRS European Maritime and Fisheries Fund Members' Research Service Page 5 of 10 Table 1 – Main measures supported by EMFF under shared management7 Priorities and main types of EMFF eligible measures (shared management) Possible beneficiaries Sustainable development of fisheries (see EMFF Regulation: Title V, Chapter I) Operators (vessel owners, fishermen...) Public bodies (incl. scientists) Others (POs, NGOs, FLAGs...) Innovation projects (products, equipment, processes, techniques organisation systems...) ● ● Advisory services, feasibility studies and advice (for sustainability or competitiveness) ● ● Scientists-fishermen partnership (creation of networks and joint activities) ● ● ● Promotion of human capital, job creation, social dialogue (training, best practices exchanges...) ● Diversification and new forms of income (investments), best practices exchanges...) ● Start up support for young fishermen ● Health and safety (investments on board and equipment) ● Cessation of fishing activities under conditions - Temporarily (e.g under emergency closures, non-renewal of a fisheries agreement). - Permanently (scrapping of vessel when part of a ***plan*** to reduce fishing capacity) ● Mutual funds compensating losses due to climatic events and environmental incidents ● Support for systems of allocation of fishing opportunities ● ● Support for the design and implementation of conservation measures and regional cooperation ● ● ● Limitation of environmental impact of fishing (equipment, e.g for better selectivity) ● ● Innovation related to conservation of marine resources ● ● Environment protection and compensation regimes (e.g waste collection, Natura 2000 measures) ● ● ● Energy efficiency and climate change mitigation (e.g investment equipment, audits, studies) ● Added value, product quality and use of unwanted catches (investments, e.g for direct sale) ● Fishing ports, landing site auction halls, shelters (improvement of infrastructures) ● ● Inland fishing (investments for operators) and protection of aquatic fauna and flora (Natura 2000) ● ● Sustainable development of aquaculture (see EMFF Regulation: Title V, Chapter II) Operators (aquaculture enterprises...) Public bodies (incl. scientists) Others (POs, NGOs, FLAGs...) Innovation (for more sustainable production, new farmed species, innovative products ...) ● ● Productive investments ● Management, relief and advisory services (for sustainability or competitiveness) ● ● ● Promotion of human capital and networking (training, working conditions, best practices...) ● ● Increasing aquaculture sites potential (e.g spatial ***planning***, control of predators and diseases) ● ● New aquaculture farmers (setting up of micro and small enterprises ) ● Conversion to eco-management and audit schemes (EMAS) and organic aquaculture (compensation for costs and conversion losses) ● Aquaculture providing environmental services (compensation for costs or income foregone) ● Public health measures (compensation to harvest suspension imposed on mollusc farmers) ● Animal health and welfare (e.g disease control, best practices, health protection groups...) ● ● ● Aquaculture stock insurance (natural disasters, climatic events, sudden water quality changes...) ● Sustainable development of fisheries and aquaculture areas Follows a community-led local development (CLLD) approach (see EMFF Regulation: Title V, Chapter III) Operators Public bodies Others (FLAGs) Support for CLLD (preparatory support, implementation of CLLD strategies, cooperation activities, running costs and animation) ● Marketing and processing related measures concerning fishery and aquaculture products (see EMFF Regulation: Title V, chapter IV) Operators Public bodies Others (primarily POs) Production and marketing ***plans*** (preparation and implementation expenditure) ● Storage aid (for fishery products only) ● Marketing measures (e.g creation of POs, traceability measures, promotional campaigns) ● Processing (investments; e.g energy saving, hygiene improvement, new products, organic goods) ● Compensation for additional costs in outermost regions concerning fishery and aquaculture products (see EMM Regulation: Title V, Chapter V) Operators (in fishing, farming, fish processing, marketing) Public bodies Others Compensation of additional costs (resulting from the specific handicap of the region concerned or other type of public ***intervention*** affecting the level of additional costs) ● EPRS European Maritime and Fisheries Fund Members' Research Service Page 6 of 10 Accompanying measures for the CFP (also applicable to operations outside EU territory) (see EMM Regulation: Title V, Chapter VI) Operators Public bodies Others Support for control and enforcement (electronic detection and transmission systems, data exchanges between Member States, control means, including patrol vessels and aircrafts, training...) ● ● ● Support for data collection (for scientific analysis and CFP implementation, including at-sea monitoring and data management systems) ● IMP measures (see EMM Regulation: Title V, Chapter VIII) Operators Public bodies Others Support for operations contributing to integrated maritime surveillance IMS (notably the common information sharing environment CISE) and promoting the protection of marine environment (notably under the Nature Directives and the Marine Strategy Framework Directive ● Notwithstanding some possible specific conditions associated with the above-listed types of measures, certain operations are not eligible under the EMFF (especially in consideration of their possible effects on conservation of aquatic resources). Ineligibility particularly concerns those operations that could lead to an increase in fishing capacity, to construction of new fishing vessels or to transfer of ownership of a business. Similarly, exploratory fishing or direct restocking in general cannot benefit from EMFF support. The EMFF may also support some measures of technical assistance for Member States (see Article 59 of the CPR) and the establishment of national networks between FLAGs. Measures financed under direct management Part of the EMFF is available to the European Commission for direct management. It must contribute to developing the Union's IMP and to facilitating the implementation of the CFP and the IMP (table 2). Table 2 – Main measures supported by the EMFF under direct management Priorities for EMFF budget under direct management (see EMFF Regulation: Title VI and Annex III) Indicative distribution of fund Enhancing the development and implementation of the IMP (45 %) Objectives Eligible operations - Development and implementation of integrated governance of maritime affairs and coastal affairs - Studies and projects - Information and communication, best practice sharing, dissemination activities, conferences, seminars, workshops - Coordination activities - Development and operation of IT systems and networks - Training projects 5 % - Development of cross-sectorial initiatives 33 % - Support for sustainable economic growth, employment, innovation and new technologies 2 % - Promotion of the protection of the marine environment 5 % Accompanying measures for the CFP and IMP (55 %) Objectives Eligible operations - Collection, management and dissemination of scientific advice under the CFP - Studies, provision of scientific advice, expert meetings, atsea surveys, support services, cooperation activities... 11 % - Specific control and enforcement measures under the CFP - Joint purchase or chartering of controls means (patrol vessel, aircraft...), new technologies and exchanges of data, expenditure related to control and evaluation... 19 % - Voluntary contributions to international organisations - Contribution to organisations (or preparation of new organisations) active in the field of the law of the sea and to their work 10 % - Advisory Councils (ACs) and communication activities under the CFP and IMP - Operating costs of the ACs (established by Article 43 of the CFP basic Regulation) - Information and communication actions, stakeholders and experts travel costs when invited to commission meetings... 9 % - Market intelligence, including the establishment of electronic markets - Development and dissemination of market intelligence for fishery and aquaculture products by the Commission 6 % The EMFF may also support some measures of technical assistance at the initiative of the European Commission (see Article 58 of the CPR), as well as some of the costs concerning the external dimension of the CFP (i.e preparation and monitoring of sustainable EPRS European Maritime and Fisheries Fund Members' Research Service Page 7 of 10 fisheries partnership agreements and Union participation in regional fisheries management organisations), and the establishment of a European network of FLAGs. Financial allocation The EMFF allocation represents only about 0.6 % of the total 2014-2020 MFF. It is part of heading 2 'Sustainable growth: natural resources’', which also covers the common ***agricultural*** policy, rural development, and environment and climate action (LIFE), as well as EU fisheries expenditure not included in the EMFF, such as payments for international fisheries agreements and obligatory contributions to Regional Fisheries Management Organisations (RFMOs). Out of the total €6 396.6 million allocated to the EMFF in 2014-2020, €647.3 million is managed directly by the Commission. Some €5 749.3 million is spent in the framework of the ESI Funds, managed by the Commission and the Member States together. The distribution of the Fund between the Member States was set according to the following criteria:8  the level of employment in the fisheries and marine and fresh water aquaculture sectors, including employment in related processing;  the level of production in the fisheries and marine and fresh water aquaculture sectors, including related processing; and  the share of small-scale coastal fishing fleet in the overall fishing fleet. In the 2014-2020 MFF, all Member States except Luxembourg are eligible for EMFF support. In order to receive support from the Fund, each Member State has to fulfil ex-ante requirements, also known as 'ex-ante conditionalities' (Annex IV of the EMFF Regulation). Member States must have fulfilled their obligations under the CFP Basic Regulation to establish a national ***strategic*** ***plan*** on aquaculture and to report, each year, on the balance between the fishing capacity of their fleets and their fishing opportunities. Moreover, they must have the administrative capacity to implement specific aspects of the fisheries policy (data collection, control and enforcement). In accordance with the principle of additionality, the EU contribution from the EMFF has to be matched with additional expenditure by the Member State. Taking into account the EMFF and the Member States' contributions, the total support for the objectives and measures defined under EMFF in 2014-2020 amounts to €7 989.46 million.9 The biggest beneficiary of the Fund is Spain, followed by France, Italy and Poland (figure 2). As with the other ESI Funds, the Member States have to draw up an operational ***programme*** including the strategy and arrangements for spending their allocation and actions to be co-financed by the EMFF. The ***programmes*** have to be tailored to the priorities of the EU common ***strategic*** framework and in line with the national partnership agreements (agreed with the European Commission and describing how an individual Member State is going to use the ESI Funds). Once the Commission approves the EMFF operational ***programme***, the national authorities can begin the implementation phase. The process is managed in the Member States by a special Managing Authority, which also serves as a central contact point for the bodies interested in the funding.10 EPRS European Maritime and Fisheries Fund Members' Research Service Page 8 of 10 Figure 2 – EMFF allocation per Member State and additional national contributions (€ million, MFF 2014-2020). Data source: European Commission, DG Regio, Cohesion Data, [accessed on 3 April 2017]. Based on the approved operational ***programmes***, almost 48 % of the Fund in the Member States is dedicated to two out of the six main Union priorities, namely the promotion of sustainable fisheries and the fostering of sustainable aquaculture (figure 3). About €1.1 billion supports the implementation of the CFP, notably to improve the scientific basis and to support control and enforcement of rules.11 Figure 3 – EMFF contribution to the Union priorities (shared management) Data source: European Commission Facts and figures on the common fisheries policy, Basic statistical data, 2016 edition. Implementation progress in 2014-2020 Due to the late adoption of the 2014-2020 MFF and the late agreement on the EMFF regulatory framework, the implementation of the Fund has been delayed. According to the Commission's Open Data Platform, in February 2017 only 2.1 % of the total (EU and the Member States) 2014-2020 allocation was decided, i.e distributed among the selected projects, and 0.3 % was reported as spent. The best progress was noted in Denmark (24.8 % of the allocation was decided), Finland (17 %) and Ireland (12.7 %). EPRS European Maritime and Fisheries Fund Members' Research Service Page 9 of 10 In order to address the frequent data gaps that appeared when the previous EU funds in support of the CFP were assessed,12 a new approach to indicators and evaluation was introduced for the EMFF 2014-2020. Based on a common monitoring and evaluation system, the approach includes a set of common indicators, evaluation ***plan*** and bi-annual reporting obligations.13 The Commission must present a first, comprehensive, mid-term review of the implementation of the EMFF to the European Parliament and the Council before 30 June 2017. Other EU ***programmes*** and action in the same field The EMFF contains specific provisions adapted to the objectives and particularities of the CFP and the IMP sectors. However, it also aims at complementing the ESI Funds under the CPR in supporting cohesion policy and maximising synergies between EU financial instruments,14 while avoiding double funding. Member States' operational ***programmes*** for the EMFF must include information on complementarity and coordination with ESI Funds and other relevant Union and national funding instruments. Moreover, separately to the EMFF, the EU budget supports EU action in fisheries and maritime matters, particularly in support of the external dimension of the CFP. Therefore, €138.4 million under the 2017 budget is dedicated to the EU's participation and contributions to international bodies responsible for the conservation and the management of living resources in certain seas and oceans around the world (Regional Fisheries Management Organisations – RFMOs) and to the Sustainable Fisheries Partnership Agreements (SFPAs) between the EU and some third countries. Endnotes 1 All MFF figures are based on data on the 2014-2020 MFF as established by Council Regulation No 1311/2013 (excluding adjustments) published by the Commission ([*http://ec.europa.eu/budget/mff/figures/index\_en.cfm*](http://ec.europa.eu/budget/mff/figures/index_en.cfm) [accessed on 10 April 2017]). 2 The 2016 and 2017 annual figures, based on data from Annex 3 in: A. D'Alfonso, A. Delivorias, M. Sapala, A. Stuchlik, Economic and budgetary outlook for the EU 2017, EPRS, European Parliament, January 2017. 3 The Maximum Sustainable Yield (MSY) concept on which the new CFP builds is defined as 'the highest theoretical equilibrium yield that can be continuously taken on average from a stock under existing average environmental conditions without significantly affecting the reproduction process'. MSY roughly corresponds to the largest catch of a fish stock that can be taken over an indefinite period without harming it and if other, notably environmental, conditions remain constant. 4 The 2017 allocation is divided between six budget lines: integrated maritime policy (€38.43 million), scientific advice (€8.7 million), control and enforcement (€8.72 million), voluntary contributions to international organisations (€7.97 million), governance and communication (€7.42 million), and market intelligence (€4.37 million). See the Commission implementing decision of 15 December 2016, C(2016) 8422 final. 5 See notably Article 39 TFEU, Article 2 of the CFP Basic Regulation, Article 9 of the CPR Regulation, and the communication 'EUROPE 2020 A strategy for smart, sustainable and inclusive growth' 6 In this regard, the EMFF Regulation also establishes a general condition on the use of the Fund, by providing that the pursuit of its objectives cannot result in an increase in fishing capacity. 7 This table is provided for illustrative purposes only and cannot be considered comprehensive nor accurately reflect all provisions established in the EMFF and for its implementation. 8 See Article 16(a) of the EMFF Regulation: the criteria apply to all measures except those related to control, inspection and the enforcement system, as well as data collection (as specified in Articles 76 and 77 of the EMFF Regulation). The specific criteria for financial distribution of these measures are listed in Article 16(b). 9 European Commission,   [*www.cohesiondata.ec.europa.eu*](http://www.cohesiondata.ec.europa.eu) [accessed on 30 March 2017]. 10 The list of Managing Authorities for each Member State is available at   [*https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/national\_authorities.pdf*](https://ec.europa.eu/fisheries/sites/fisheries/files/docs/body/national_authorities.pdf) . 11 It needs to be recalled in this regard that the support for scientific advice and for control and enforcement measures under the CFP also benefits from a further indicative share of 30 % of the around €650 million allocated from the EMFF under direct management by the European Commission. EPRS European Maritime and Fisheries Fund Members' Research Service Page 10 of 10 12 In the 2007-2013 ***programming*** period the EFF had a budget of €4.3 billion. The interim, national evaluations and the Commission’s annual reports on the implementation of the EFF were the basis for the debate on the post-2013 fisheries fund and for the proposal of the EMFF 2014-2020. In November 2016, the Commission presented an ex-post evaluation of the EFF. It analyses the results of the Fund’s ***interventions*** for different spending categories (fisheries, aquaculture, processing, common interest, community development and technical assistance). Notwithstanding the Commission’s evaluations, the European Court of Auditors assessed the effectiveness of EFF support for aquaculture. In its special report published in 2014, the Court stated that overall, the EFF did not offer effective support for the sustainable development of aquaculture. 13 Commission staff working document, 2016 Synthesis of Evaluation Results and ***Plans*** under the ESIF ***Programmes*** 2014-2020, SWD(2016) 447 final, Brussels, 20 December 2016. 14 See, for example, the Commission services' guidance document on how to explore for synergies and combine EMFF with other funds. Disclaimer and Copyright The content of this document is the sole responsibility of the author and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2017. Photo credits: © lucadp / Fotolia. [*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu)   [*http://www.eprs.ep.parl.union.eu*](http://www.eprs.ep.parl.union.eu) (intranet)   [*http://www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (internet)   [*http://epthinktank.eu*](http://epthinktank.eu) (blog) Photo credits: © lucadp / Fotolia. [*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu)   [*http://www.eprs.ep.parl.union.eu*](http://www.eprs.ep.parl.union.eu) (intranet)   [*http://www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (internet)   [*http://epthinktank.eu*](http://epthinktank.eu) (blog)

**Load-Date:** August 1, 2017

**End of Document**



[***Council of the European Union: COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking ST 5282 2018 ADD 2***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RGX-Y7T1-F0YC-N3JX-00000-00&context=1516831)

Impact News Service

January 25, 2018 Thursday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 24524 words

**Body**

Brussels: Council of the European Union has issued the following document:

5282/18 ADD 3 MI/lv DG G 3 C EN Council of the European Union Brussels, 12 January 2018 (OR. en) 5282/18 ADD 3 […] COVER NOTE From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 11 January 2018 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: SWD(2018) 6 final - Part 1/4 Subject: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking Delegations will find attached document SWD(2018) 6 final - Part 1/4. Encl.: SWD(2018) 6 final - Part 1/4 EN EN EUROPEAN COMMISSION Brussels, 11.1.2018 SWD(2018) 6 final PART 1/4 COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking {COM(2018) 8 final} - {SWD(2018) 5 final} 2 Table of Contents Preamble ..................................................................................................................................... 5 1. Introduction ....................................................................................................................... 5 1.1 Background ............................................................................................................. 5 1.2 Context .................................................................................................................... 7 2. Problem Definition ........................................................................................................... 8 2.1 A brief introduction to HPC and its ***strategic*** value for science and the digital economy .......................................................................................... 8 2.2 What is the problem that requires action and its size .............................................. 8 2.3 What are the problem drivers?

.............................................................................. 18 2.4 Who is affected and in what ways? ....................................................................... 20 2.5 How would the problem evolve? ........................................................................... 22 3. Why should the EU act? ................................................................................................. 24 3.1 Why do we need to act now? ................................................................................. 24 3.2 The right to act at EU level ................................................................................... 25 3.3 Subsidiarity ............................................................................................................ 25 3.4 EU added value ..................................................................................................... 26 4. Objectives: What should be achieved? ........................................................................... 27 4.1 Overall objectives of the EuroHPC entity and instrument .................................... 27 4.2 Functionalities of the EuroHPC instrument .......................................................... 27 4.3 Specific Objectives ................................................................................................ 29 5. Available Policy Options ................................................................................................ 30 5.1 Option 0: Baseline from which the policy options are assessed ........................... 30 5.2 Options considered for implementing EuroHPC but discarded at an early stage . 31 5.3 Option 1: ERIC ...................................................................................................... 34 5.4 Option 2: Joint Undertaking .................................................................................. 36 6. What are the Impacts of the Policy Options? ................................................................. 39 6.1 Option 0: Baseline scenario ................................................................................... 39 6.2 Option 1: ERIC ...................................................................................................... 41 6.3 Option 2: Joint Undertaking (JU) .......................................................................... 42 7. How do the Options Compare? ....................................................................................... 44 8. Selection of Preferred Option and how will the EuroHPC JU work .............................. 46 9. How would actual Impacts be monitored and evaluated? .............................................. 47 3 LIST OF ANNEXES − Annex 1: Procedural information − Annex 2: Analysis of the responses received to the targeted Consultation and on the Inception Impact Assessment on the HPC Initiative in Europe − Annex 3: Who is affected by the initiative and how? − Annex 4: Staff and budgetary estimates for the Euro HPC JU option − Annex 5: HPC and its ***strategic*** value for the digital economy − Annex 6: Brief review of the funding sources and budgets of HPC initiatives Worldwide and in Europe 4 GLOSSARY The below table explains the key terms or acronyms used in this document. ASCR Advanced Scientific Computing Research CEF Connecting Europe Facility CoE Center of Excellence cPPP Contractual Public-Private Partnership DoE (US) Department of Energy DSM Digital Single Market EC European Commission ECI European Cloud Initiative EEIG European Economic Interest Grouping EIB European Investment Bank ERIC European Research Infrastructure ETP European Technology Platform ETP4HPC European Technology Platform for High-Performance Computing Exascale Computing systems capable of 1018 Floating Point Operations per Second FET Future and Emerging Technologies Flop Floating Point Operations per Second FP7 7th EU Framework ***Programme*** for Research & Innovation FPA Framework Partnership Agreement GDP Gross Domestic Product H2020 Horizon 2020 Framework ***Programme*** for Research & Innovation HPC High-Performance Computing ICT Information and Communication Technology IPCC Intergovernmental Panel on Climate Change IPRs ISV Intellectual Property Rights Independent Software Vendors ITER International Thermonuclear Experimental Reactor JTI Joint Technology Initiative JU Joint Undertaking (as defined by Article 187 TFEU) LEIT Leadership in Enabling and Industrial Technologies MFF Multi-annual Financial Framework NSA (US) National Security Agency NSCI National ***Strategic*** Computing Initiative OJ Official Journal of the EU PCP Pre-Commercial Procurement PPI Public Procurement of Innovative solutions PPP Public-Private Partnership PRACE Pre-exascale Partnership for Advanced Computing in Europe Computing power near the exascale performance (i.e 0.1-0.6 exascale) R&D Research and Development R&I Research and Innovation ROI Returns on Investment SME Small- and Medium-sized Enterprise SRA ***Strategic*** Research Agenda SSC (PRACE) Scientific Steering Committee TFEU Treaty on the Functioning of the European Union WP Work ***Programme*** 5 PREAMBLE In this document the terms High Performance Computing (HPC) systems, HPC machines and supercomputers are used indistinctly. The terms leading-class/world-class computers or systems refer to supercomputers that are ranked amongst the most powerful in the world. An important point is the level of computing performance of supercomputers: the next HPC computing frontier is the exascale performance, i.e supercomputers capable of executing 1018 or 1 billion billion Floating Point Operations per Second. These systems are expected to be built around 2022. The term pre-exascale is used to refer to performance levels close to exascale (i.e 0.1 to 0.7 exascale). Pre-exascale systems are expected to be available on the market around 2019-2020. 1. INTRODUCTION This document explains that High Performance Computing (HPC) is a ***strategic*** priority for Europe. The European Commission (EC) and several Member States (MS) have already taken the decision to co-invest in a joint structure that would allow Europe to reach the ***strategic*** goals defined in this domain through optimal use of available public funding. The document explores which form of legal and financial instrument would serve best the objectives of this joint HPC structure (called in the sequel the EuroHPC entity) that would start operating as of 2019 onwards and assesses its impact to implement the EuroHPC strategy in Europe. 1.1 Background Europe's scientific capabilities, industrial competitiveness and sovereignty critically depend on access to world-leading HPC computing and data infrastructures to keep pace with the growing demands and complexity of problems to be solved. In 2012, the Communication 'High performance Computing: Europe's place in a global race'1 highlighted the ***strategic*** nature of HPC as a crucial asset for the EU's innovation capacity and called on Member States, industry and the scientific communities, in cooperation with the EC, to step up joint efforts to ensure European leadership in the supply and use of HPC systems and services by 2020. On 19 April 2016, the EC adopted the European Cloud Initiative (ECI)2,3 as part of its Digitising European Industry strategy.4 The Communication invited the EC and the MS to work together in the creation of a leading European HPC and Big Data ecosystem, underpinned by a world-class HPC, data and network infrastructure. Such infrastructure would support the EU to become one of the world's top supercomputing powers by realising exascale supercomputers around 2022, based on European technology, ranking among the first three places in the world. 1 COM(2012) 45 final 2 COM(2016) 180 final 3 SWD(2016) 106, accompanying the ECI Communication 4 COM(2016) 180 final 6 The European HPC Strategy aims at establishing a world-class HPC ecosystem in Europe, acquiring leadership-class supercomputers which secure Europe's own independent HPC technology and system supply, and deploying HPC services for science, industry and SMEs. To be able to implement this strategy we need to coordinate and pool national and European efforts in developing and procuring world-class supercomputers. In May 2016, the Competitiveness Council5 expressed its political support to HPC followed by the European Parliament in January 2017.6 The Competitiveness Council took also note of the intention of France, Italy, Luxembourg and Spain to launch a joint project for developing a commercial offer in HPC and big data serving industrial applications. Moreover, the European Council of 28 June 2016 called for swift and determined progress to create the right conditions for stimulating new business opportunities by coordinating EU efforts on high-performance computing; and looked forward to the launch of an important project of common European interest in this field.7 On 23 March 2017 at the Digital Day in Rome, which was organised as part of the 60th Anniversary celebrations of the Treaty of Rome, seven MS – France, Germany, Italy, Luxembourg, the Netherlands, Portugal and Spain – signed the EuroHPC declaration.8 They were more recently joined by Belgium, Slovenia, Bulgaria, Greece, Croatia and Switzerland. These countries agreed to work together and with the EC for acquiring and deploying by 2022/2023 a pan-European integrated exascale supercomputing infrastructure called EuroHPC. Other MS and Associated Countries (AC)9 are invited to sign the EuroHPC declaration. Several countries have already signalled their intention to do so by the end of 2017. The EuroHPC Declaration is an agreement in which the signatory MS commit to work together and with the EC for acquiring and deploying an integrated world-class HPC infrastructure, which will be made available across the EU for scientific communities as well as public and private partners, no matter where supercomputers are located, upraising Europe's scientific capabilities and industrial competitiveness and for jointly procuring and deploying exascale supercomputers accessible from everywhere in Europe based on competitive European technologies. On 10 May 2017, in the Communication on the Mid-Term Review of the Digital Single Market (DSM) Strategy10, the EC confirmed its ***plans*** to invest on HPC and announced its 5 The Competitiveness Council on 29-30 May 2016 adopted conclusions on the ECI Communication, highlighting the role of HPC in the EU's innovation capacity and stressing its ***strategic*** importance to the EU's industrial and scientific capabilities as well as to its citizens. 6 European Parliament, Report on the European Cloud Initiative (2016/2145(INI)), Committee on Industry, Research and Energy, Brussels, 26 January 2017. 7 [*http://www.consilium.europa.eu/en/press/press-releases/2016/06/28-euco-conclusions/*](http://www.consilium.europa.eu/en/press/press-releases/2016/06/28-euco-conclusions/) 8   [*http://ec.europa.eu/newsroom/document.cfm?doc\_id=43815*](http://ec.europa.eu/newsroom/document.cfm?doc_id=43815), and   [*https://ec.europa.eu/digital-single-market/en/news/belgium-joins-european-cooperation-high-performance-computing*](https://ec.europa.eu/digital-single-market/en/news/belgium-joins-european-cooperation-high-performance-computing) 9 Countries associated to H2020:   [*https://ec.europa.eu/research/iscp/pdf/policy/h2020\_assoc\_agreement.pdf*](https://ec.europa.eu/research/iscp/pdf/policy/h2020_assoc_agreement.pdf) 10 COM(2017) 228 final 7 intention to propose by end-2017 a legal instrument that provides a procurement framework for an integrated exascale supercomputing and data infrastructure. 1.2 Context The EuroHPC declaration and the communication on the DSM mid-term review have soundly supported the decision on establishing the joint EuroHPC entity that allows the co-investment of the Union with MS and ACs to establish an integrated world-class supercomputing and data infrastructure. The EuroHPC entity would permit to coordinate and pool national and European efforts in a framework to procure jointly between the Union and the MS a world class HPC and data infrastructure and their interconnection. In order to be able to procure such infrastructure based on competitive European technology, the EuroHPC entity will also be used to develop further the European HPC ecosystem, i.e , a reinforced technology supply chain, a richer applications offer in various sectors and the tools necessary to provide these applications as an HPC Cloud service across Europe. This includes support to Research and Innovation (R&I) on both hardware and software required for building competitive exascale machines as well as support to the development of skills needed for reaping the benefits of investing in such leading infrastructure. There is an urgent need to act now, driven by the triple need to: (i) procure and deploy in Europe in competitive timeframes a world-class pre-exascale HPC infrastructure; (ii) make it available to public and private users for developing leading scientific and industrial applications that would foster the development of a broad pre-exascale ecosystem in Europe; and (iii) support the timely development of the next generation European HPC technologies and their integration into exascale systems in order to be ready to procure them in competitive timeframes with respect to our world competitors. These three objectives are within reach if the EuroHPC entity could be set up and start operating in 2019. The entity would not need extra funds from the current Multiannual Financial Framework (MFF), as it will draw funds from the budgets already committed for HPC activities in the different work-***programmes*** (WPs) of the last two years of Horizon 2020 (H2020) and the Connecting Europe Facility (CEF). A total budget of approximately EUR 1 billion would be available: an EU contribution of around EUR 486 million matched by a similar amount from the MS/AC. This would ensure the operations and payments of all the activities that the EuroHPC entity would launch at the latest by the end of 2020 until their termination around 2025/2026. The EuroHPC entity may also receive financial support from the next MFF. Should this be the case, the entity would be ready to fulfil further the objectives of the European HPC strategy. This would imply in particular the possibility for the entity to procure exascale HPC systems based on European technology; support the development of a thriving exascale ecosystem in Europe; and prepare for the next generation of HPC technologies and their link to quantum computing. 8 2. PROBLEM DEFINITION 2.1 A brief introduction to HPC and its ***strategic*** value for science and the digital economy HPC is a branch of computing that deals with simulation and modelling of scientific and engineering problems and with data analytics that are computationally so demanding that computations cannot be performed using general-purpose computers. Today, these computations typically run on very powerful systems with highly parallelized computing units of hundreds of thousands or millions of processors. Those computers are often referred to as supercomputers. The speed at which computing power increases is so fast that today's state of the art machines are obsolete after five years of operation on average. As the problems modelled in computer simulations and decision support systems grow in size and complexity (to enable more detailed predictions, to cope with ever larger amounts of data or both), so do the demands on computational resources. In many areas spanning from health, biology and climate change to automotive, aerospace energy and banking general-purpose computers cannot provide a practical solution to address complexity anymore and access to HPC becomes essential. HPC is at the core of major advances and innovations in the digital age, where to out-compute is to out-compete. It is a key technology for science, industry, and society at large. Annex 5 provides data on how impactful HPC is today on the economy and society, provides data on its high returns on investments, and illustrates the importance of HPC with many examples of the most prominent HPC applications in science, industry and the public sector. To fully reap the benefits of HPC, it is necessary to support a full ecosystem comprising hardware and software components, applications, skills, services and interconnections. In fact every new generation of HPC systems pushing further the performance limits is the result of a cooperative effort between suppliers, operators, users and researchers, tailor-made and optimised for the scientific or industrial application users, which HPC systems are intended to serve. Such an interdisciplinary approach leads to a more efficient use of often expensive supercomputing systems and develops training capabilities for ***programming*** such systems. 2.2 What is the problem that requires action and its size The 2012 Communication on 'High-Performance Computing: Europe's place in a Global Race'1, laid down the foundations for a European HPC strategy. The overall objective was the development of the European HPC infrastructure and a pooling of national investments in HPC. This was broken down into the specific objectives to provide a world-class European HPC infrastructure, ensure independent access to HPC technologies, pool enlarged resources, increase efficiency, ***strategic*** use of joint and pre-commercial procurement, and ultimately, ensure the EU's position as a global actor. The Communication called on the European Commission, the Member States, the industry and PRACE11 to put in place a number of actions to reach these objectives. As a consequence the following actions were implemented: • The contractual public-private-partnership (cPPP) European Technology Platform ETP4HPC12 was created in 2013. It is an industry-led technology platform of HPC 11 PRACE (   [*http://www.prace-ri.eu/*](http://www.prace-ri.eu/)) offers a pan-European supercomputing infrastructure providing access to computing and data management resources and services for large-scale scientific and engineering applications at the highest performance level. PRACE is an association of 24 member countries. The PRACE top computer systems (so-called Tier-0) are provided by five PRACE hosting members (BSC Spain, CINECA Italy, GCS Germany, GENCI France and CSCS Switzerland. 12   [*http://www.etp4hpc.eu*](http://www.etp4hpc.eu)/ 9 suppliers with the mission to develop a joint research agenda and coordinate its implementation, thereby creating critical mass of R&D in HPC, building a world-class HPC technology supply chain in Europe, increasing the global share of European HPC technology vendors and maximising the benefits that HPC technology brings to the European HPC user community. • The EC made a commitment towards the ETP4HPC to invest EUR 700 million in H2020 for the period 2014-2020. The cPPP should leverage a similar amount of resources on the private side. • PRACE hosting member countries supported the European science community, providing access to most powerful computers in Europe, as well as training facilities and skills development opportunities. The EC supports financially PRACE to facilitate the access to the computing resources. In addition, the EC and the MS are also investing in GÉANT, the pan-European data network for the research and education community linking national research and education networks as well as supercomputing centres across Europe. 13 • Centres of Excellence (CoEs)14 were established and funded by the EC for the application of HPC in scientific domains of importance for Europe. They also provide support, competences and training to the user communities. • MS continued to invest in their national HPC capabilities, developing technology and regularly procuring new machines to replace the outdated ones. Lessons learnt in the implementation of the HPC strategy Despite all the above activities that were put in place, the implementation of the HPC strategy is still not very efficient and effective today. The main reason for this is the existing fragmentation of efforts at EU ***programme*** level and between EU and MS level. As reported in the 2016 Communication on the European Cloud Initiative2 and in the accompanying Staff Working Document3, many of the challenges identified in the Communication of 2012 are still largely unresolved: • Provide a world-class European HPC infrastructure: PRACE is an effective tool to provide computing cycles, but the procurement of systems is still done by MS in an uncoordinated way. This situation for example leads to periods of abundance of top-class systems (i.e in 2012, with several MS acquiring top machines) followed by a period of low resources for researchers (i.e in 2016-2017, due to obsolescence of previous machines and lack of further investments). A pan-European vision with a more ***strategic*** and rational ***planning*** of procurements is necessary. • Fragmentation of European and national efforts: The implementation of the R&I agenda proposed by the cPPP is fragmented: First, MS have their own national ***programmes***. And second, the way the EC implements the HPC strategy is not well-coordinated, since it uses two different ***programmes*** (CEF and H2020) and three different H2020 WPs (FET, LEIT-ICT and Research Infrastructures). This is due to the different nature of the supported activities (R&I, infrastructure development, etc.) and annual budget limitations. Such implementation is complex: it involves discussion with four 13   [*https://www.geant.org*](https://www.geant.org) 14 Centres of Excellence (CoE) ensure EU competitiveness in the application of HPC for addressing scientific, industrial or societal challenges. The Centres are conceived to be user-focused, develop a culture of excellence, both scientific and industrial, and place computational science and the harnessing of “big data” at the centre of scientific discovery and industrial competitiveness. 10 different ***programme*** committees with different delegates often from different entities within each MS, making coordination between committees more difficult. Moreover, as the four different ***programmes*** have their own timing, the synchronisation of the calls addressing the various but interlinked aspects of the European HPC strategy, becomes a real challenge. At EU level, a single R&I ***programme*** is necessary for an efficient production of European HPC technology. • Innovation procurement is not used in HPC: Innovation procurement instruments like the Pre-Commercial Procurement (PCP) and the Public Procurement for Innovation (PPI) have not been used so far by the MS in the area of HPC. In contrast, the USA, China and Japan use legal instruments that ensure a flexible process for the production of national technology in R&D ***programmes*** and their integration in the systems that are acquired by the national agencies. Europe would benefit from a joint structure that would permit to pool national and EU resources and jointly procure HPC systems by making systematic recourse to innovation procurement. • Ensure the EU's position as a global actor: European suppliers face limitations in acceding to public procurements of HPC in USA, China or Japan. In contrast the EU is still the most open market, with no restriction in most of the public procurements on HPC (except e.g for military purpose machines in some countries). Making systematically recourse to mechanisms like the one provided by Article 30.315 of the H2020 model grant agreement (to object under certain conditions to the transfer of Intellectual Property Rights (IPR) to third countries) and to new procurement and exploitation strategies would permit protecting IPRs ***produced*** in the EU and first exploiting in Europe the EU-funded R&I results. The above issues will be analysed in the sections below. In summary, the EU is now confronted with the following situation: The EU does not have the best supercomputers in the world even in areas of key importance; the available supercomputers do not satisfy the demand; the MS spending in HPC is not coordinated and the industrial take-up of HPC technology developments is low. We still fail in turning the technology development into HPC systems that are procured in Europe, i.e we lack an effective link between technology supply, co-design with users, and a joint procurement of systems. Figure 1 provides an overview of the main problems, their drivers and their consequences. 15 [OPTION 1 for EU grants]: The [Commission][Agency] may — up to four years after the period set out in Article 3 — object to a transfer of ownership or the exclusive licensing of results, if: (a) it is to a third party established in a non-EU country not associated with Horizon 2020 and (b) the [Commission][Agency] considers that the transfer or licence is not in line with EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations. 11 Figure 1: Overview of the main problems, their drivers and consequences Problem Nr 1: The EU does not have the best supercomputers in the world but, in addition it is largely dependent on non-European HPC supply chains with the increasing risk of not having access to latest ***strategic*** technology even if resources were available. Today, none of the 10 leading supercomputers in the world – i.e supercomputers with a performance level necessary to sustain leading-edge research – is located in the EU (5 are in the USA, 2 in Japan, 1 in Switzerland and the 2 top systems are located in China).16 Figure 2: HPC World Top 20 as of June 2017 and their computing power 16 See:   [*https://www.top500.org*](https://www.top500.org) Public investments for HPC in EU/MS remain uncoordinated and insufficient to cope with the demand Relatively small European system vendors face stiff competition from large foreign competitors Europe does not have the best super-computers in the world integrating European technology Supercomputers available in Europe do not satisfy the demand MS do not have a framework for joint procurement The European HPC technology supply chain is weak and the integration of European technologies into operational HPC machines remains insignificant Science: Digital divide across Europe with regard to access to available resources Public Sector: Risk of insufficient protection of public/financial services, ***strategic*** decision making, national security Industry: Loss of innovation due to low use of supercomputers / stiff competition to access to few available resources (particularly for SMEs) Drivers Problems Consequences 12 Figure 3: HPC World Top 20 as of June 2017 Europe's top performing machine is located in Switzerland and it is based on US technology (i.e Cray). A more detailed analysis shows that while the US and the EU machines have similar capacities in terms of number of available computer cores, the performance of the two systems is very different with the average EU being below 30% of the average US performance.17 The main reason for this situation is that Collectively, the EU and the MS are significantly under-investing in HPC technology supply and infrastructures when compared to the investments of USA, China or Japan. The current funding gap with the USA is estimated in at least EUR 700 million per year. So far, the EC invested EUR 330 million on HPC-related activities of H2020 between 2014 and 2017 and further investments of the order of EUR 750 million are foreseen in the period 2018 – 2020. The total EU support in HPC will be over EUR one billion in the period 2014-2020. As for the collective investments of the MS for the same period these are estimated to be at around EUR 1.5 billion. The four PRACE countries hosting the Tier-0 machines made available to European scientists of computing time equivalent to the cost of EUR 400 million. A study conducted for the EC in 201518 on the progress of the implementation of the European HPC strategy concluded that the present pace of growth of European investment in HPC will not be enough to attain and maintain leadership, meaning at minimum parity with best-in-class HPC resources in the USA, Japan, or China. In 2015, the estimations of the study of the public and private investments for Europe to achieve leadership by 2020 were in the order of additional EUR 5.3 billion in 7 years (2016 to 2022). When compared to current investments of the EU and MS, the gap with the USA can be estimated at least at EUR 700 million per year (see Annexes 5 and 6 for further details). Moreover, HPC has now become an indispensable technology for supporting policy making and maintaining national sovereignty, supporting ***strategic*** decision-making for energy, home security, or climate change, or in the context of national security applications. Access to indigenous world-class HPC machines has become an asset to a country 17 Calculated as the average Rmax and Rpeak from Top500 18 Study IDC SMART number 2014/0021 - High Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy 1China11United Kingdom2China12United States3Switzerland13Spain4United States14Italy5United States15United States6United States16United States7Japan17Germany8Japan18Saudi Arabia9United States19France10United States20United States 13 to an extent that it is considered not only as a ***strategic*** resource for its economy, but also a matter of national security. A recent report from the US19 states '… national security requires the best computing available, and loss of leadership in HPC will severely compromise our national security …'. Access to own higher computing power provides a competitive advantage in scientific innovation and industrial competitiveness, and is indispensable technology for supporting policy making and maintaining national sovereignty (see Annex 5 for a detailed analysis of the impact of HPC). The USA, China and Japan have declared HPC to be a ***strategic*** priority for their country. They consider HPC as too ***strategic*** to be largely dependent on foreign suppliers and put focus on developing indigenous HPC supply chains and ecosystems that are essential for economic development and for security and safety. The top 5 supercomputers installed in the EU are supplied by vendors outside Europe, 3 from the United States (Cray, HPE) and 2 from China (Lenovo). They all integrate Intel processor technologies. Similarly, the technology used to interconnect the system originates from outside Europe (Cray, Intel, Mellanox). If the EU does not have its indigenous supply of supercomputers, it will find d

ifficulties to acquire state-of-the-art machines or the technology to build them, as the supplying regions would not want to lose their competitive advantage to innovate. A recent example is China, which was deprived from the supply of USA state-of-the-art technology and as a consequence developed its own HPC supply chain. As a result China now has the two world-wide fastest supercomputers. The concern that Europe's supercomputing capabilities depend on non-EU suppliers for critical technologies and systems and that Europe is relegated against its global competitors in a field as ***strategic*** as supercomputing have been put forward by stakeholders, and in particular by the user industry, in the EuroHPC targeted consultation20 (see Annex 2) to go for a new action at the EU level that goes beyond current actions.21 EU depends on other regions for the supply of critical technology for its HPC infrastructure. EU risks getting technologically deprived of ***strategic*** know-how for innovation and competitiveness. The availability of the best supercomputing capacity is strongly linked to the ability to master and ***produce*** indigenous HPC technology in Europe. If the EU is not able to ***produce*** and integrate leading-edge HPC technology, it will systematically become a mere buyer of foreign systems that are behind the latest HPC technological generation that is ***produced***, used and exploited first elsewhere. Therefore, it is of ***strategic*** importance for the EU to be able to ***produce*** its own HPC technologies and integrate them into leading-edge HPC machines that it procures. In order to fully reap the benefits of leading-edge HPC machines, it is also necessary to create a full HPC ecosystem. Every new generation of machines pushing further the limits of performance is custom designed. These machines are not off-the-shelf products. On the 19 U.S Leadership in High Performance Computing (HPC) – A Report from the NSA-DOE Technical Meeting on High Performance Computing, December 1, 2016. 20 'Targeted Consultation on the HPC Initiative in Europe and the EuroHPC Inception Impact Assessment' 21 The other one being overall inefficiency resulting from the current fragmentation of efforts. 14 contrary, they are a product of the cooperative effort of the suppliers, operators and users, tailor-made and optimised for the class of applications they are intended to solve and taking into account the boundary conditions (e.g availability of affordable electricity). This last aspect is crucial to develop a sustainable HPC environment. To reap the benefits of the use of a supercomputer requires ownership of the infrastructure. In addition, it is necessary to coordinate the supply of hardware and software components and tailor it to meet scientific and industrial application requirements. This means that such diverse communities as low-power microprocessors designers, resource management software developers, system integrators and computational scientists and engineers have to work together from an early stage of the design and development phases of supercomputing systems. Such an interdisciplinary approach leads to a more efficient use of often expensive supercomputing systems and calls for developing training capabilities for ***programming*** such computers for different user communities. Problem Nr 2: Supercomputers available in Europe do not satisfy the demand Because of the lack of highest performing HPC machines available in the EU, the European scientific and engineering research community prefers to use USA supercomputing facilities rather than PRACE. Two US ***programmes*** provide such opportunity.22 Comparing PRACE with its overseas counterpart in the USA (the Advanced Scientific Computing Research (ASCR) ***programme***) shows the extent to which the European HPC offer is insufficient to satisfy the demand. Access to ASCR supercomputer facilities is open to the scientific and engineering research community including universities, industry, and the US national labs through a peer review process. Data collected for the Fiscal Year 2015 reveals that the US is the major user of ASCR facilities23 with a total of 25993 users, whilst Europe with 3501 users (UK, Germany, France and Italy in the lead) is their second major user. Not only Europe does not have the best machines but it also cannot sufficiently satisfy the demand. If we compare ASCR and PRACE by the number of awarded projects by both programmes24, we can see that the total number of projects awarded by PRACE in each call (PRACE has 2 calls per year) has never exceeded 60 projects, while solely in the 2016 Fiscal Year ASCR awarded 921 projects to entities from the European countries.25 This comparison is indicating that the European scientific and engineering research community obtain more support from the US ASCR supercomputing facilities than from the European PRACE. A striking fact is that even the four PRACE members (Germany, France, Spain, Italy) that are providing computer systems to the PRACE association obtained more projects from ASCR than the maximum PRACE could offer. This holds also for some associated members of PRACE like the Czech Republic, Poland, Denmark, and the UK that do not provide computing systems to PRACE. In conclusion, there is a strong demand for HPC access in the EU, a demand which is not sufficiently satisfied by PRACE. Insufficient access to HPC resources was also among the main reasons why respondents to the EuroHPC consultation indicated that there is currently a problem with HPC in Europe (for 22 ASCR facilities available at [*https://science.energy.gov/user-facilities/user-facilities-at-a-glance/ascr/*](https://science.energy.gov/user-facilities/user-facilities-at-a-glance/ascr/) 23   [*https://science.energy.gov/~/media/\_/pdf/user-facilities/Reports/DOE-SC-User-Facilities-FY2015-report.pdf*](https://science.energy.gov/~/media/_/pdf/user-facilities/Reports/DOE-SC-User-Facilities-FY2015-report.pdf) 24 The comparison is indeed relevant since both ***programs*** have a similar allocation mechanism awarding one year or multi-year core hours. 25 ASCR source data available at   [*https://science.energy.gov/user-facilities/user-statistics/by-project/*](https://science.energy.gov/user-facilities/user-statistics/by-project/) 15 details see Annex 2). Regarding specifically the role of existing EU-funded HPC actions, such as PRACE, ETP4HPC and GEANT, they confirmed that in a future EU initiative on HPC existing actions should be improved, especially PRACE, and collaborate closer to complement each other. While we cannot take it for granted that Europeans can always use the best supercomputers existing in other regions, it is also a fact that the most demanding European applications have to run on the machines provided by the EU competitors, while only less demanding applications can run on the supercomputers available in Europe. This means that data ***produced*** by EU research and industry risks getting processed elsewhere for lack of corresponding capabilities in the EU. Ultimately our scientific and industrial leadership will become dependent on the accessibility to the highest-end machines that are outside Europe. The high dependence on the access to non-European supercomputers raises several problems: • The data ***produced*** by European scientists and industry is processed outside the EU. This creates problems related to privacy, data protection, commercial trade secrets, and ultimately loss of ownership of critical data. This is particularly critical for sensitive applications, for example in security, health, or engineering, where the data for national security reasons should not leave the EU. • European users do not have the priority to use the machines and are at the mercy of the access policy of the hosting country. Even if the selection of users is based on a peer review process, European users always face the risk that indigenous users get preferred access, computing time or computing power. This is in particular a problem for industrial users that cannot afford to wait for the machines they need. • In the long term, European users, scientific as well as industrial, might move outside the EU to get the same access rights, access conditions and price as the indigenous users. The brain drain from researchers relocating to third countries may not be limited to the loss of excellence in scientific disciplines, but Europe can also lose its competences in developing applications for supercomputers if users no longer co-design the applications with the supercomputing centres. • The demand for more computing power will continue increasing and new applications will soon emerge notably in health, energy, environment, fintech, manufacturing etc. which we cannot satisfy with the computing power of today's HPC machines. The problem will become even more acute in the next 5-7 years when the development of exascale applications comes to maturity. Problem Nr 3: Member States do not have a framework for joint procurement The PRACE Association provides access to the most powerful supercomputers in Europe (Tier-0 machines). However, it does not cover the coordination of national ***programmes***, nor joint investments for the procurement of systems, e.g there is no common European strategy to develop and acquire pre-exascale or exascale machines. The design, the specifications and the procurement of the machines are done by each of the supercomputing centres on their own and are mainly guided by own or by national interests, without any incentive to coordinate with the other countries. Although most MS share the same interests in advancing science, they try to satisfy as much as possible the requirement of 16 their national scientific communities. This however does not guarantee an optimal coverage of the different scientific communities at European level. In the USA, China and Japan the high-end supercomputing resources are acquired through public procurement of innovation with a national strategy. For example in the USA, there is a federal coordination of procurements between different agencies, like the National ***Strategic*** Computing Initiative (NSCI) and the Exascale Computing Project (see Annex 6) to frame the national efforts in a coherent strategy. These initiatives provide a critical mass for procurement, obtaining better value for money in acquisitions, and are also tightly linked to the technology supply, ensuring that national suppliers stay at the forefront of technology advancements. In Europe, the large fragmentation of HPC ***programmes*** and efforts, the non-coordinated activities and the lack of a common procurement framework lead to a waste of resources. This has been identified by stakeholders in the EuroHPC consultation as one of the current two top ranked problems of HPC in Europe (see Annex 2), independent of their type of organisation (i.e scientific user, industrial user, technology supply industry, computing centre). Current funding instruments have limitations when applied to large mission-oriented initiatives. The existing implementation tools are well adapted mainly to support R&D of marketable HPC technologies, but are complicated to coordinate for example several synchronised procurements in different MS with different legislation and rules. Most MS and Associated Countries to Horizon 2020 have their national HPC strategies and investment ***plans*** according to their national needs and ***programmes***. In particular those countries that have not the capability to invest in their own leading-class machines are prepared to co-invest to get access to the Tier-0 machines. Most of them participate in the PRACE ***programme***. Europe thus misses the opportunity to take advantage of efficiency gains by aligning the strategies and pooling resources. As for the EC, so far it has provided limited support to a joint procurement of supercomputers, mainly because of the hesitation of the Tier-0 countries to participate in such joint procurement. In 2016, the EC put in place a first call for procurement of innovation with the PRACE hosting countries. In return of the financial support from H2020 (at the level of 35% of the overall costs), the participating countries agreed to provide access to the procured machines. Problem Nr 4: The European HPC technology supply chain is weak and the integration of European technologies into operational HPC machines remains insignificant Today, Europe consumes about 29% of HPC resources worldwide, but the EU industry provides only ~5% of such resources worldwide. In addition, close to one fifth of the top 500 HPC systems are located in the EU, and out of these, ~20% are provided by EU vendors (oscillating between 20% and 25% over the last years).26 Between 2015 and 2016, their exports outside the EU consisted of 3 systems installed in South America and 5 in Asia. 26 French Bull-Atos is the leading European integrator, followed by the Dutch ClusterVision and the German SME Megware. The first system in the top 500 list installed by the European vendor Bull-Atos has rank 38. Bull-Atos has 10 systems in the top 100, all but one installed in Europe. ClusterVision has the first system at rank 329 and SME Megware at rank 357. 17 Figure 4: Contribution of EU vendors to the 500 most performant HPC systems (2011-16) The market share of EU vendors in Europe is even smaller when considering the HPC server market (beyond the top 500 systems), although the growth rates have been largely beating the market average (15% vs 3.4%). This growth raised the EU suppliers' market share from 2.8% in 2013 to 3.7% in 2016. During the same period, EU suppliers' share of the global HPC server market expanded at a robust 16.1% annual growth rate. Although this growth substantially exceeded the market's 5.8% growth rate during this period, it enlarged EU suppliers' share of the global HPC server market merely from a marginal 0.8% in 2013 to an equally marginal 1.1% in 2016. On the global market the European suppliers face unequal treatment on public procurement. The USA and China restrict the development and procurement of the high-end machines to domestic suppliers. As a consequence, non-European suppliers have a clear competitive advantage as they get direct funding support for the development of the national machines that they later on sell on the global market. In Europe there is an open market, without a policy to favour European suppliers. Therefore, in the absence of a prospective lead market and a risk sharing with the public sector, European suppliers hesitate to take the financial risk to develop the technology on their own. Despite the national and European R&D funding ***programmes***, Europe ends up with a weak supply industry, while it has one third of the application markets. As the non-European HPC suppliers participate in the European R&D ***programmes***, the EU ends-up paying non-EU-suppliers twice: for the development of their underlying technology and for the acquisition of their HPC machines built with non-EU technology. It is also to be noted that the functional HPC components and prototypes developed by the projects funded through the European Framework ***Programmes*** for Research (FP7, H2020) are rarely integrated in the machines that are procured. There are three main reasons for that: • Firstly, there is a lack of incentives of the supercomputing centres that specify the machines to be procured to privilege solutions developed by the European R&D ***programmes***. The procurements are in general implemented by the MS according to their national rules and the EC cannot impose measures to favour European suppliers. 18 • Secondly, the H2020 rules for participation27 make it difficult to ensure continuity of the investments made between different calls. Each call is an open and competitive process, with the possibility to limit a follow-up call to the successful projects of the previous call only in exceptional cases. This leads to the situation where R&D results are rarely integrated in the subsequent calls addressing the development phase of the supercomputer, and are replaced by a solution that was developed elsewhere, including from a non-European supplier. The R&D investments are then inefficient to transfer European R&D results into marketable products, or to foster a European supply industry. European companies have then an increased risk of not getting funded in the subsequent call. The problem is further exacerbated by the fact that the H2020 calls are open also to non-EU beneficiaries. • Thirdly, the EC (and MS) do not use the innovation procurement instruments (PCP combined with PPI) to accompany the route from HPC technology development to procurement that would help support a competitive European supply industry and create a lead market in Europe. The main reason so far is the hesitation of the Tier-0 countries to participate in joint procurement actions, even less to ones that may favour procurement of European technologies that may be perceived as not sufficiently competitive. Finally, the development of exascale technologies is not for the sake of having the fastest supercomputer in the world, but the goal is to build 'first of a kind' systems rather than 'one of a kind'. Indeed, HPC technology of today, and in particular low-power processing units and systems, is the mainstream technology that we will find in the next five years integrated in our cars, homes, factories and personal devices. Not investing in HPC technologies makes it difficult to be present in any digital technology in the future, like the autonomous vehicles, the connected car, or the smart home. The transition to exascale computing is an opportunity for the European supply industry to leverage on technologies in the computing continuum from smart phones, to embedded systems (for example in the future driverless cars), and to servers, feeding the broader ICT market within a few years of their introduction in high-end HPC – giving a competitive advantage to those developing them at an early stage. The size of these target markets is estimated to EUR 1 trillion. The industrial users who responded to the public consultation identified as their main concern the dependence on non-EU technology. This clearly shows their awareness of the risks related to the dependence of a foreign technology supply-chain for a resource that is a critical for their competitiveness on a global market. 2.3 What are the problem drivers? The following are the main drivers contributing to the problem: Problem Driver Nr 1: Public funding for HPC in EU/MS remains uncoordinated and insufficient to cope with the demand MS investments are insufficient and uncoordinated to acquire enough high end HPC systems that satisfy the demand. According to the 2014 International Data Cooperation study19, Europe started to narrow down the former wide gap separating the most capable US and Japanese supercomputers at the very high end of the supercomputers segment from their European counterparts. Indeed, at first, spending increased substantially in the EU for large 27 OJ L 347 of 20.12.2013, pp. 81-103 19 supercomputers from 2009 (112 million EUR) until 2012 (658 million EUR). However, in 2014, it started to decline again (362 million EUR in 2014). No MS has the capabilities to develop the necessary HPC ecosystem on its own in a competitive timeframe with respect to the USA, China or Japan. The individual MS do not have the full value chain or competences and most lack the necessary funding levels. Lack of sufficient resources is one of the main reasons put forward in the EuroHPC consultation (see Annex 2) to go for a new action at EU level. The leading regions in the world are racing ahead and are massively investing in ***strategic*** HPC ***programmes*** to boost their HPC ecosystem and prepare it for the upcoming next generation computing (exascale and beyond). These ***programmes*** are driven by the public authorities with some leverage of private investments (mainly on the technology supply side). If the EU is entirely dependent on non-European supply, this puts at risk our capacity to acquire the latest HPC systems and our capacity to build a digital industry all together given that HPC technology has a spill over effect on all digital technologies. Regaining world-wide leadership in HPC cannot be achieved on the basis of Europe's current HPC industry set-up and market conditions alone. No European industrial player currently has all competences in-house. The required investments levels for industry exceed their capacity and the risks of failure to develop an exascale system are too high to be borne by industry alone. Equally, public funding alone will not be sufficient to finance the broad uptake of HPC in the European industry in coming years and notably SMEs. Problem Driver Nr 2: European HPC system vendors face stiff competition from large foreign corporations Relatively small European HPC system vendors face stiff competition from large foreign corporations supported by their governments on the open European HPC market. European HPC vendors face asymmetries in major HPC markets outside of Europe due to national regulations e.g for national security. The concern that the EU is relegated against its global competitors in a field as ***strategic*** as supercomputing is among the main reasons for respondents to the consultation for a new action at EU level that goes beyond current actions (see Annex 2). Other countries such the USA have long-standing models for R&D collaborations with indigenous HPC vendors, many of which include supercomputer procurements with strong R&D requirements. Building an HPC ecosystem is a significant challenge, because the EU has historically been the most open major HPC market in the world, in part because it has not had an indigenous HPC system vendor large enough to compete with US, Japanese or Chinese vendors. As a result, in 2014, 81.2% of all European HPC server system spending profited US vendors. The only sizeable Europe-based vendor, Atos-Bull, accounted for only ~2% of European HPC server spending in 2014. It has had some successes outside of Europe, but still relies on European sales for a large majority of its HPC revenues. This unsatisfying situation is exacerbated by three factors: i. European HPC system vendors face asymmetries in major HPC markets outside the EU due to national regulations, e.g related to national security. 20 ii. The EU market for HPC hardware systems and parallel software is still too small and fragmented to support EU-based HPC vendors. They cannot thrive and continually fund world-class innovation unless they can match the investments of competitors (especially USA and China) that have strong domestic demand and easier access to the global market. iii. Intellectual property rights developed in EU research projects relevant to HPC often benefit non-EU parents of participating companies as the current EU Framework ***Programme*** for Research and Innovation imposes limited restrictions on the transfer of rights to affiliates in third countries. Concerning the 1st factor, in the USA the acquisitions of supercomputers by US federal agencies are restricted by the 'Buy American' Act, although purchasing of software and components of non-US origin is often allowed. In China, the fast-growing HPC market has been dominated historically by US supercomputer vendors, because Chinese HPC vendors have not been able to compete effectively. More recently, the Chinese government directed investment banks and other 'critical infrastructure' sites to cease acquiring non-Chinese HPC systems. In Japan, the government market has historically tended to favour Japanese supercomputers, although non-Japanese ones also had some success in this market. Concerning the 2nd factor, the EU has a lower aggregate level of HPC resources compared to other large economies around the world. With regard to the top 500 machines, the USA have ~50% more HPC resources than the EU, and China and Japan together have approximately twice the resources of the EU. These differences are significant as these three global blocs have comparable nominal economic GDP outputs. In other words, there is currently indeed a structural weakness in EU HPC resources. Concerning the 3rd factor, there are provisions in the EU Research Framework ***Programme*** that can contractually oblige an organisation to disclose such transfers. These restrictions are certainly helpful although not as severe as in other countries developing HPC technologies outside the EU. In addition to issues related to IPRs and their transfers, probably an even more important aspect is that a stronger HPC ecosystem in the EU is likely to open up new and attractive career opportunities for top scientists and engineers and reduce the brain drain from the EU. 2.4 Who is affected and in what ways? A joint structure coordinating and pooling the resources at European level will mobilise the necessary resources at European level to provide a world-class pan-European infrastructure and a strong European HPC ecosystem with lasting benefits in Europe. Europe in principle has the human potential and technological know-how to develop such an ecosystem along the whole HPC value chain. The following group of stakeholders are likely to be directly or indirectly affected by the initiative (see Annex 3 for an extended analysis). MEMBER STATES MS are expected to significantly benefit from the initiative. The EuroHPC initiative will enable them to coordinate together with the EC their HPC investments and strategies. The joint initiative will make it possible for them to access a world-class HPC infrastructure that no single country on its own can afford in particular those with little or no significant HPC resources in place. 21 The increased availability and accessibility of top HPC resources will motivate the users to keep their activities and data in Europe, helping to keep critical know-how and human potential in MS. SCIENCE - UNIVERSITIES AND RESEARCH CENTRES Thanks to a joint structure that ensures the sustainability and availability of resources in the short, medium and long terms, EuroHPC will ensure a European-wide access for researchers in Europe's Universities and Research Centres to supercomputers and data with a guaranteed high level of resources, and irrespective of their geographical location or scientific discipline. This factor is critical to ensure that the academic and scientific potential stays in Europe and is not exploited in other regions with more competitive HPC resources. A sustainable joint structure supported by the EC and MS will also consolidate the already existing vibrant mix of national, regional and pan-European initiatives in intra-EU scientific collaboration, and will provide EU-based teams with powerful resources to strengthen the European presence in international scientific endeavours. INDUSTRY INCLUDING SMES The new initiative will revitalise the European HPC ecosystem, where industry and in particular SMEs will benefit as both users and suppliers of HPC technology and applications. • As users; EuroHPC will consolidate European leadership in many HPC-empowered applications by making available more resources for industrial use accessible at EU level, complemented with specific measures to widen the usage of HPC technologies. This is of critical importance to industry and particularly SMEs without in-house capabilities that will benefit from easy to use HPC resources, applications and analytics tools to create new innovative products and processes. • As suppliers; a European-wide initiative with a focus on the supply of a European source of HPC technology and the protection of European IPR will have the necessary critical mass and a catalytic effect on the European suppliers. A clear R&I roadmap at European level provides a unique opportunity for industry, including SMEs, to participate in the co-design and development of such new technologies and systems, and to develop IPR and solutions to be further used in their business endeavours. EUROPEAN COMMISSION (EC) The EuroHPC initiative would solve the current complexity of implementing the HPC activities through two different ***programmes*** (CEF and H2020) and three different H2020 WPs (FET, LEIT-ICT and Research Infrastructures). The EuroHPC entity will provide a single structure and financial framework to coordinate the different activities in synergy. Most importantly, it will provide a single forum for ***strategic*** discussions with the MS and leverage EU and national efforts and resources. The EuroHPC entity will also be a privileged interlocutor for institutions, agencies and bodies addressing critical scientific, industrial or social-impact areas. It will become a focal point for better supporting the EU policy development and implementation in areas like digitising industry (DSM), security, and many other related to societal challenges. SUPERCOMPUTING CENTRES The EuroHPC entity will provide the appropriate frame to strategically ***plan*** for the further development and the federation of supercomputing centres at European, national and regional 22 level. The joint structure will avoid redundancies and will exploit complementarities with a European-wide ***planning*** of the different architectures across Europe (for example avoiding isolated and uncoordinated procurements that may end up in dependencies on single vendors and technological suppliers). EuroHPC also provides the opportunity to fully exploit the world-class HPC infrastructure and human resources of the European supercomputing centres in a synergetic way, encompassing the co-design and integration of technology with a coordinated procurement of supercomputers at European level. CITIZENS EuroHPC will ensure that world-class HPC resources and data are available for applications that are of direct interest for citizens. Given the inter-disciplinary nature of HPC and the wide range of scientific and industrial applications that will be made available at EU level, citizens will benefit from an increased level of resources provided by EuroHPC in areas like: • Health, demographic change and wellbeing • Secure, clean and efficient energy • Smart, green and integrated urban ***planning*** • Cybersecurity • Weather forecasting and Climate change • Food security THIRD COUNTRY ACTORS Successfully building a European HPC ecosystem will have an effect on the non-EU supply industry. The focus on the new instrument to ***produce***, co-design and take-up of European technology in the next generations of European supercomputers will make EU technology more competitive. This will eventually decrease the market share of non-EU HPC components and systems in Europe, potentially worldwide. The increased protection of European IPR resulting from the R&I ***programmes*** supported by the EuroHPC, may stop the current situation of non-EU suppliers taking advantage of EU ***programmes*** to export the resulting IPR and improving their domestic developments. Provided access conditions on equal terms becomes a global practice, the European HPC resources could become attractive for scientists from outside the EU, sending their data for processing to Europe. The risk Europe currently faces with losing its data sovereignty may thus be reversed. 2.5 How would the problem evolve? There is an arms-race world-wide to develop and operate ever more powerful supercomputers. This is driven by the ***strategic*** importance for a nation and an economy for top-level computational power, but also driven by the growing demands of the scientists to solve ever more complex problems. The renewal of a machine every 5 years at the end of its lifetime increases the costs for the development, installation and operation of the machine by a factor two. The costs have now grown to an extent that they have become prohibitive for most market actors, including for most national governments in Europe. The effect has started to show as Europe is slowly dropping out of the first league of supercomputers. After a height of four machines ranking in the top 10 most performing supercomputers worldwide in 2012, the number has been steadily decreasing since, until EU based machines dropped out altogether from the top 10 list in 2017, despite recent acquisitions/upgrades at several sites across the EU. Without an increased effort to invest more or more efficiently, for example by pooling 23 resources in Europe and coordinating acquisition ***planning***, this trend will continue and accelerate. According to the IDC study on High Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy19 '… High-end supercomputers at national centres in Europe, the U.S , and Japan (but not China) are regularly oversubscribed – the demand for computing cycles typically exceeds the supply by a factor of two to three. European high-end supercomputers are no exception…'. The demand for HPC is expected to increase considerably in the coming years, for example as more and more users, in particular SMEs, become part of the digital economy and make use of HPC for their business processes. This is paired with a hunger for higher computing power as the applications increase in complexity and include big data analysis. The gap between demand and supply of the most performant computing facilities will thus increase. A growing gap of available computing performance will motivate more and more European scientists to implement their calculations outside Europe. Europe thus runs the risk of losing control of its scientific data, but eventually also the brain drain of its scientists as they move closer to the computing facilities. The situation is similar for the industrial users who will not renew their service contracts with European supercomputing centres, but replace them with contracts outside the EU in order to stay competitive on a global market. The move of the users outside Europe would have a cascading effect on the supercomputing skills in Europe. Indeed, the supercomputing centres work closely with the users, equipment suppliers and ***program*** developers to adapt the applications to the architecture of the supercomputers and optimize the use of computing resources. This co-design approach is essential for an effective exploitation of the supercomputers and requires a profound understanding of the machine's architecture and behaviour. Breaking this co-design chain will gradually erode the skills of the supercomputing centres to offer competitive computing services as they would not be involved in the design of the most powerful machines. Ultimately, Europe runs the risk to lack the competences to design and operate exascale machines and offer computing services to the most demanding applications. The European suppliers with the competences and financial resources to provide the European market with the required machines, without public ***intervention*** hesitate to take the risk to invest in this field. Indeed, the market size of high-end machines is very small, maximum 100 machines per year worldwide but mostly in very closed and inaccessible markets for European vendors. The situation is identical for the European competitors in the USA, China and Japan. Those countries have already declared HPC to be a ***strategic*** priority for their country. As a consequence their governments fund ***programmes*** to develop national HPC ecosystems and work on the deployment of exascale supercomputers. As a consequence USA vendors (with new Chinese players) will continue to dominate the market. If no effective measures are taken to bring the EU back in the HPC race with EU technology, the dependency of Europe on non-EU suppliers will continue to grow. Otherwise the industrial base of European suppliers will continue to decrease as the companies either stop their HPC products (e.g Eurotech), or do not find sufficient market share to survive. As a consequence the European HPC ecosystem will further erode. The dominant suppliers like Intel, due to their market share, are dictating the prices and are gradually pushing European competitors out of the market. Initially those suppliers were in essence supplying the cores of the supercomputers, giving European suppliers the possibility to provide the other components (e.g interconnects) and integrate them in the computing boards. Gradually the dominant suppliers started to provide the other components too, proposing complete solutions. The procurers of the machines on one hand have less and less 24 the choice to include components from European suppliers as the solutions offered by dominant suppliers provide less and less integration possibilities. In the absence of a European supplier of the computing cores, the procurers are becoming more and more dependent on complete packages, limiting their possibility to co-design the machines according to their needs. Moreover, there is a risk that due to certain ***strategic*** or political decisions, such as export restrictions, sooner or later Europe will not have access to the most competitive and innovative technology, exacerbating the gaps described above. Therefore, to mediate the risks, the European HPC strategy has identified an action to develop one of the critical components of the exascale machines, i.e the multipurpose low power processor. 3. WHY SHOULD THE EU ACT? 3.1 Why do we need to act now? The problems and risks detailed in the previous section require urgent action at European level. Our world competitors massively fund ***programmes*** to develop national HPC ecosystems and work on the deployment of exascale supercomputers, with a particular focus on the development of indigenous HPC supply chains that are essential for economic development and for security and safety. To stay competitive in the HPC race Europe needs to acquire exascale supercomputers by 2022/23 and develop its technology supply chain that guarantees access to latest HPC systems. To reach the target the work has to start now, since a development cycle typically takes 5 years. USA, China and Japan have also set 2022/23 as a target date. From the drawing board to the operational machine, the different components have to be developed and then integrated into the machine. An intermediate, key milestone is the development of the pre-exascale machines by 2020, where the initial design will be validated and the prospects of reaching the exascale target will be assessed. Any delay in the acquisition of the pre-exascale would equally delay the development of the exascale targets. Without more investments in the years 2018-2020 there is the risk that the pre-exascale target cannot be met, jeopardizing the longer term objective of the exascale machines. The EU funds to acquire the pre-exascale machines and develop its ecosystem are available now (EUR 486 million, already committed in H2020 and CEF WPs 2019-2020 to HPC activities). There is also evidence from several MS/AC (at least those which signed the EuroHPC declaration) that they are prepared to commit similar funding levels in the same period to implement the joint EuroHPC activities. Setting up a self-standing EuroHPC entity in 2019 will ensure that Europe takes action in a timely and coordinated way, with joint investments in leading-edge HPC technology and infrastructures. It would allow Europe to acquire world-class pre-exascale machines and stay competitive in leading scientific and industrial applications for the period 2020 to 2025; and, equally important, to build in Europe the necessary ecosystem to develop competitive European technology for the pre- and full exascale computing era. In an eventual support of the EuroHPC entity under the next MFF, this would allow to continue its operations and in particular to: procure and deploy two world-class exascale machines (based on European-funded technology); support the development of ambitious extreme scale applications for public and private users and of HPC skills; and, continue to support R&I activities, notably a competitive low-power European microprocessor and post-exascale HPC machines and their linking to the first quantum computing infrastructures that would have been developed under the Quantum Technologies FET Flagship. 25 3.2 The right to act at EU level The fragmentation of public HPC services across the EU and within MS leads to inefficient use of resources and only partial cross-border exchange of expertise. The increasing costs of building and maintaining HPC infrastructures require stronger governance at EU level and the rationalisation of HPC resources to reduce the current fragmentation. HPC is an essential instrument to address societal challenges like health and security. Both are policies of shared European interest, as exemplified in the NIS Directive28 or the Cybersecurity Communication29, addressing issues that do not stop at national borders. The level of security or the quality of public health in one MS depends from the situation in the rest of the EU. HPC is fundamental to build the data economy. Controlling how the data is used, who has the ownership and right for exploitation, where it is stored, and who has access to it are sensitive issues. It touches commercial and copyright issues, but also data protection and privacy issues. All these issues have been identified as political priorities in the Digital Single Market (DSM). Sending sensitive European data for processing in other regions of the world, where the high European standards of privacy, data protection, copyright, etc. are not necessarily respected, undermines the intention to gain sovereignty on European data and its exploitation. The scale of the resources that are needed to realise a sustainable exascale level HPC infrastructure and ecosystem is beyond what national governments can nowadays afford to invest. No single Member State has the financial means to acquire exascale computing capabilities and develop, acquire and operate the necessary exascale HPC ecosystem on its own and in competitive time frames with respect to the USA, China or Japan. Member States and national actors have now realised that they will only be able to remain competitive through a joint and coordinated EU-wide effort – c.f the EuroHPC declaration of 23.03.2017 This justifies the right for the EU to act in the field of HPC under Article 179 that states that 'The Union shall have the objective of strengthening its scientific and technological bases by achieving a European research area in which researchers, scientific knowledge and technology circulate freely, and encouraging it to become more competitive, including in its industry, while promoting all the research activities deemed necessary by virtue of other Chapters of the Treaties'. In addition, Article 187 TFEU gives authorisation to 'set up joint undertakings or any other structure necessary for the efficient execution of Union research, technological development and demonstration ***programmes***'. 3.3 Subsidiarity Knowledge and resources available in Europe need to be put together for the building of a leading edge HPC ecosystem across all value chain segments. National resources alone are insufficient. EU coordination of investments and resulting services is necessary in order to have HPC computing and data infrastructures as well as a full HPC ecosystem in Europe on a par with the USA, China or Japan. The importance of HPC for science, and the public and private sectors has grown in recent years together with the exponential rise in the investments required to stay globally competitive. This has led to a common understanding that the 'Europeanisation' of this domain via a shared infrastructure and common use of existing capabilities would benefit everyone. This also applies to Member States with difficulties in creating self-sufficient 28 OJ L 194, 19.7.2016, p. 1–30 29 JOIN(2017) 450 final 26 national HPC infrastructures whereas they can make valuable contributions to and benefit from federated and interconnected EU-level HPC capabilities. Cooperation exists already in some areas among Member States, industry and science actors. Examples include PRACE, the HPC cPPP, the Big Data PPP and GÉANT. EuroHPC builds on them as the key investors in the EuroHPC signatory countries are already represented there. There is however a need for a legal and financial framework closing the chain from R&D to the delivery and operation of the exascale HPC systems co-designed between users and suppliers. Such new framework would support the development of a pan-European HPC and data infrastructure built on European technologies, allowing the blending of different EU financing sources with national and private funding. It would stimulate joint investment to cover the ever increasing costs of building and maintaining world class HPC and data infrastructures and to optimise a number of important procurement factors, such as ***strategic*** ***planning*** for funding of top-level systems, user's coverage, diversity of systems architecture, etc. Ultimately, it would permit to build-up a critical mass in the HPC market to foster a true European HPC ecosystem that encourages and supports a competitive European HPC supply industry. As described in the introduction, political support from Member States on EuroHPC has already been explicitly given by the Council, by the signatories of the EuroHPC Declaration, and by the European Parliament. 3.4 EU added value The proposed initiative represents a natural candidate for European action with the EU and Member States implementing the EuroHPC strategy via the most appropriate legal instrument. It is only by acting at EU level that we will be able to pool together the necessary effort and create the critical mass needed to acquire leading next generation exascale systems which are in the order of hundreds of millions of Euros. Only by working at EU-level and combining investments, knowledge and skills Europe has a chance to keep-up to its competitors. At the same time, pooling the investments to jointly acquire exascale machines will create significantly higher return-on-investment (ROI) for each of the partial-owners of the machines, than the ROI of the full ownership of a lesser performing machine.30 Availability of top class HPC systems would enable European players to further develop a whole range of present and future scientific and industrial applications that would require exascale performance. It would permit funding the HPC related research and developing the necessary expertise, skills and capabilities for ***programming*** such systems efficiently and exploiting their full potential. And, most importantly, it will enable all European scientists, public administrations and industry to access this infrastructure and foster a wide range of cross-border collaboration and new products and services. Finally, by pooling the fragmented knowledge and the expertise existing all around, Europe can build the full supply chain for HPC systems: from technology components and systems to full machines. These are at the same time essential technologies in a variety of other mass markets (such as automotive, consumer electronics, servers, etc.). The transition to exascale computing, supported by joint EU/MS investments acting as lead market users, would provide 30 IDC special study 2016 'Investigation of the Ripple Effects of Developing and Utilizing Leadership Supercomputers in Japan: The Scientific and Financial Returns from the K Computer and Possibilities from the Post-K Computer' 27 an opportunity for the European supply industry to leverage on such investments and get access to new markets estimated to EUR 1 trillion. Overall, the creation of a globally competitive HPC environment in Europe, triggered by public ***intervention***, creates goods and services that are of a truly public value for European science and industry: It will help the private and the public sectors to create leading-edge science, technologies and solutions benefiting all areas of the economy and society, contributing to the EU's objectives of economic growth, jobs and competitiveness. 4. OBJECTIVES: WHAT SHOULD BE ACHIEVED? 4.1 Overall objectives of the EuroHPC entity and instrument To address the problems identified in section 2, we propose to establish a new legal and financial instrument that would permit to implement the joint EuroHPC entity. Its overall mission would be to provide European scientists, industry and the public sector with the latest HPC and data infrastructure and support the development of its technologies and applications across a wide range of fields. The (EuroHPC) instrument would have to address the following three overall objectives: 1. Support a joint procurement framework for an integrated world-class exascale supercomputing and data infrastructure in Europe. Such infrastructure will be accessible on a non-economic basis to public and private users for publicly funded research purposes31; 2. Ensure a EU level coordination and adequate financial resources to support the development, procurement and operation of such a public infrastructure; 3. Support the research and development of an integrated European HPC ecosystem, covering all scientific and industrial value chain segments (hardware, software, applications, services, interconnections and skills). 4.2 Functionalities of the EuroHPC instrument To reach its objectives, the EuroHPC instrument has to meet several functional requirements: [Pooling together public and private resources] The legal instrument would have to support the joint procurement and operation of a European HPC infrastructure as well as R&I activities for the development of European HPC technology and excellence in applications. To reach the necessary investment levels to meet its objectives, the instrument has to make possible the pooling of public funds (from the EU and the MS/AC), as well as financial or in-kind contributions from the private sector. The Union's financial contribution would come from the budgets already allocated to H2020 and CEF WPs in 2019 and 2020. Those funds would have to be matched by a similar amount from the MS and AC, as well as by the private sector. [Procuring HPC machines] The legal instrument should enable the EuroHPC entity to launch calls for tender to acquire the pre-exascale machines and select the successful tenderers. As EuroHPC is a joint initiative it would act as trusted manager of the procurement process on behalf of all participating countries. To reduce the administrative burden the legal instrument should permit the application of European procurement rules. Ideally, the legal instrument should allow an exemption from VAT to reduce the overall cost of the systems to be procured. [Openness to new partners] The legal instrument would have to allow new MS/AC to join 31 HPC services to industry for private use may also be provide under commercial conditions. 28 the EuroHPC entity upon their request, subject to their financial commitment. EuroHPC could then start with a core group of participants that are ready at the launch of the instrument and gradually accept new members. [Enabling participation of the private sector] for defining and implementing the EuroHPC ***strategic*** R&I and application development agenda, stimulating large private investments in the field… while mitigating any eventual conflicts of interest in public procurement processes: While enabling private participation would be fundamental, the EuroHPC instrument would also have to make possible to include provisions for avoiding conflicts of interest, notably by making sure that there is no interference of the participating technology supply industry neither in the joint public procurement process of the pre-exascale machines nor on how the public funds are spent. [Implementing a R&I ***programme*** which can address the present ***programme*** coordination inefficiencies in implementing the HPC strategy], in particular the difficult coordination and synchronisation of the different H2020 and CEF HPC WPs. This could be addressed by delegating the implementation of the related budget to the EuroHPC (legal) entity. Its governing body could then align the content and the respective timings of the different calls with the HPC ***strategic*** agenda; ensure coherence between the topics of the different calls; and put in place the appropriate funding instruments to reach the objectives, in particular innovation procurement for accompanying the route from European HPC technology development to the procurement of European machines. Furthermore, by using the H2020 rules, the EuroHPC instrument should make it possible to introduce provisions to protect the economic and ***strategic*** interests of the Union, i.e protecting IPRs ***produced*** in the EU and first exploiting in Europe all EU-funded R&I results. [Safeguarding the Union's interest through EC participation] The EuroHPC instrument should foresee the possibility for the EU represented by the Commission to be part of its governance. That would ensure that the EC can play a significant role in the definition of the ***strategic*** orientation and priorities of the EuroHPC entity, and take part in the decisions on how its budget is allocated and spent. In essence, the legal instrument would have to permit a delegation of the EC funds to the legal entity, rather than a co-fund. [Lifetime] The EuroHPC instrument would have to exist until the termination of all its activities that would be launched in 2019 and 2020. Considering the typical duration of the H2020 grants and the typical lifetime of an HPC machine, the legal instrument would have to operate until approximately end 2026. To summarise, the EuroHPC instrument would have to address the following functionalities: Pool public and private funds Execute joint procurements while operating under EU-law (e.g VAT exemption, procurement rules, …) Implement a R&I ***programme*** which can address the present coordination inefficiencies in implementing the HPC strategy Remain open to incorporate new MS/AC willing to join Enable participation of the private sector Safeguard the Union's interest (the Union will be represented by the Commission) 29 4.3 Specific Objectives Considering the general objectives of the previous section within the broader context of the European HPC Strategy, the EuroHPC entity and its related instrument should achieve the following specific objectives, grouped in three pillars. The overall EuroHPC objectives can only be achieved if all the three pillars are implemented, as each of them is necessary to create the European HPC ecosystem. Pillar 1: Infrastructure development, acquisition and operations T1 Procurement and operation of world-class HPC and data infrastructures for European use, in particular aiming at procuring and operating two pre-exascale HPC machines (2020). T2 Interconnecting regional, national and European HPC resources (pre-exascale machines, data centres and associated software and applications) through an HPC and Big Data service infrastructure facility. T3 Providing access to HPC-based infrastructures and services to a wide range of users (scientific and industrial users including SMEs, and the public sector) for new and emerging data and compute-intensive applications and services. Pillar 2: Applications and skills development and a wide use of HPC T4 Achieving excellence in HPC applications through, for example, development and optimisation of codes and applications in a co-design approach, support to Centres of Excellence in HPC applications, and large-scale HPC-enabled pilot demonstrators and test-beds for big data applications and services in a wide range of scientific and industrial areas. T5 Increasing the innovation potential of industry, and in particular of SMEs, using advanced HPC infrastructures and services, for example via dedicated digital innovation hubs. T6 Outreach and training actions for attracting human resources to HPC and increasing skills and engineering know-how of the EuroHPC ecosystem. Pillar 3: Research & Innovation agenda for European technology & know-how development T7 Developing the next generation of key HPC technologies and systems towards exascale addressing the whole European technology spectrum from low-power microprocessors and related technologies to software, algorithms, ***programming*** models and tools, to novel architectures and their system integration through a co-design approach. 5. AVAILABLE POLICY OPTIONS 5.1 Option 0: Baseline from which the policy options are assessed The HPC strategy is implemented at EU level mainly via H2020 and CEF: 30 • The development of the European HPC technology is addressed in the H2020 FET and LEIT-ICT WPs, from the research of the underlying concepts up to their integration; including the co-design and prototyping of HPC machines. The EC is supported by the cPPP (ETP4HPC) which submits every year its ***strategic*** research agenda (SRA) to the EC. The SRA provides the long term ***planning*** of activities necessary each year to reach the objectives of building a world-class HPC technology supply chain in Europe, including an estimate of the required budgets. Based on this input the EC then drafts the relevant work-***programmes***. • The development of the HPC infrastructure is addressed in the H2020 Research Infrastructures and CEF WPs. The EC provides funding to facilitate access of European scientists to the Tier-0 machines operated by PRACE. This includes financial support to the additional services PRACE provides to the user communities, complementing the work of the HPC Centres of Excellence (CoE).14 While PRACE is an organisation independent from the EC, the CoEs are a creation of the EC and are almost exclusively funded from the H2020 budget. Due to the different nature of the HPC activities funded by the EC, their difference in scope, and annual budget limitations, the activities are implemented in four different WPs: FET, LEIT-ICT, Research Infrastructures and CEF, each with its own selection process and timing. The EC publishes open and competitive calls for proposals. Any beneficiary eligible for H2020 funding can apply, irrespective of whether it is member of the HPC cPPP. For the period 2018-2020, around EUR 110 million have been committed for HPC activities in CEF and another EUR 640 million in H2020. The R&D projects funded through the H2020 calls are generally reaching their objectives (as this is acknowledged by the project reviews carried out by independent experts) and contribute to establishing the European HPC ecosystem. However, as mentioned in section 2.2, today the EC has difficulties in implementing coherently and effectively the HPC research roadmap because its activities are funded through four different WPs of H2020 and CEF; and there is a lack of continuity in supporting research teams from R&D components to systems development and integration and ultimately to innovation. The current implementation has also weaknesses with respect to the protection of the IPRs. The H2020 calls are open to any legally established legal entity, based in a MS or third country. As non-European entities can participate in H2020 grants, either directly, or through their European subsidiaries, R&I results are often transferred and exploited out of the EU. The H2020 Grant Agreement includes optional provisions to protect the European interests such as Article 30.3 which requires beneficiaries to notify the EC before they transfer the results and gives the EC the right to object. This option is validated by default for the running and upcoming H2020 HPC projects. Any further measure to protect the European IPR is unlikely to be implemented before the end of H2020, as this would require an amendment of the H2020 rules for participation. Could the shortcomings of the baseline scenario be effectively addressed by revising the existing instruments, i.e amend the mandate of the HPC cPPP, extend the mission of PRACE, or evolve the H2020 rules and procedures? PRACE provides the most powerful supercomputers in Europe but PRACE does not aim to coordinate national ***programmes*** or investments in the procurement of HPC systems. PRACE was created in 2010 and a new agreement entered into force in 2016/2017. With the new agreement, there is a small financial contribution to PRACE of the members not hosting a Tier-0 machine. Eventually a new agreement could be negotiated to include the Union, represented by the EC, as a member; a coordination of the procurement; and a revision of the 31 governance. However this is unlikely to happen because: (i) the hosting countries will continue to protect their national interests and not lose control over their Tier-0 supercomputers; and (ii) the PRACE machines are owned by the Tier-0 hosting countries and are designed and developed to primarily satisfy national research needs, in accordance with the relevant national strategies and ***programmes*** and do not necessarily cover wider European user needs. The mandate of the HPC cPPP is limited in time and is foreseen to be revised after 2020. The cPPP is playing a valuable role in defining and implementing the HPC ***strategic*** research agenda and leveraging private funding. One of its weaknesses is that its membership is open to non-EU actors. As a result the dominant, non-EU suppliers are today part of it, influencing the definition of the H2020 workprogrammes. This makes it more difficult for European market actors to develop European technology that finds its way into the subsequent procurement of machines. Finally, the use of different H2020 and CEF WPs for HPC and their challenging coordination can only be resolved by a revision of the H2020 Regulation, by integrating them into a single pillar. Such revision is not feasible any more. Even if it this was the case, it would resolve coordination of H2020 activities but not the coordination with CEF. Therefore, this option does not allow neither the pooling and efficient synchronisation of the EU investments (as they are split across multiple ***programmes*** and areas), nor the coordination of the EU activities funded by the EU budget with those of the MS. This kind of approach already proved to be insufficient in bringing about an EU-wide HPC ecosystem as this is also reflected in the 2017 EuroHPC Declaration by MS and further validated by the findings of the EuroHPC targeted consultation. Fragmentation of HPC ***programmes*** and efforts in Europe and the lack of coordination of activities was the main problem for the computing centres and the scientific users that responded to the public consultation. 5.2 Options considered for implementing EuroHPC but discarded at an early stage Option: EEIG The European Economic Interest Grouping (EEIG)32 is a cooperation form, similar to national consortia, but ruled mainly by European law. That means its core rules are common throughout the whole EU, and national rules are required only for a few issues (e.g nullity, dissolution, some profiles of a grouping's administration). An EEIG is a type of legal entity designed to make it easier for companies in different countries to do business together or to form consortia to take part in EU ***programmes***. A main usage of this supranational type of enterprise is to facilitate co-operation in European ***programmes*** especially for small and medium-sized enterprises (SMEs). The EEIG differs from other companies first and foremost in its purpose. It is supposed to help its members to develop or improve their own fields of activity. Thus, the EEIG can be used to develop certain common activities which would be too expensive for single members. Because of this auxiliary nature the activity of an EEIG has to be connected to the economic activity of its members. Not only SMEs, but basically every company or firm and all institutions governed by public or private law can be a member of an EEIG. 32 Legal basis for the EEIG is Regulation No. 2137/85. The implementation of some provisions was deferred to Member States; each state passed implementation laws which rule certain matters relating to groupings and set up the necessary rules for the registration of groupings. EEIGs thus are harmonised as they refer to one single law, the EC Regulation, which is equal for all Member States. 32 The EEIG is eligible to participate in procurement procedures. However, the EEIG can only participate as a beneficiary. It cannot coordinate the procurements of the EC and the MS, nor can it implement a joint procurement. The procurement would still have to be implemented by the MS and/or the EC. As the EEIG has full legal capacity, its participation in EU R&I projects as partner or coordinator is possible. The EEIG is eligible to receive community funds. However, this option does not effectively address the problem of fostering the supply of European technology. As in the baseline scenario, the EEIG would be in competition with non-European applicants for the H2020 calls. Also the problem of ensuring continuity of the actions between subsequent calls remains as well as the problem that the EC has with the synchronisation of HPC investments under different H2020 and CEF WPs. Option: Galileo-type ***programme*** In a Galileo-like ***programme*** the EU has the sole ownership of the ***programme*** and delegates its implementation to a separate legal entity. In discussions with the EuroHPC signatory countries, they have clearly expressed their preference for a legal instrument where they would have co-ownership of the activities, in particular for the procurement and operation of the EuroHPC machines. The legal basic act setting up the Galileo-like ***programme*** would have to be followed by a delegated act to a legal entity for its implementation. The overall process is expected to take around 3 years. Such timing is incompatible with the EuroHPC ***plans*** as discussed above, making it impossible for the EuroHPC to reach the targets set for jointly procured pre-exascale systems by 2019-2020. It would also highly compromise all the longer term ***plans*** in developing and procuring exascale systems based on European technology by 2022/2023. Option: Intergovernmental organisations An intergovernmental organisation like the European Space Agency (ESA) is an agency established by a convention between its participating states, establishing a joint ***programme*** between Member States. The Member States signing EuroHPC have not proposed the creation of an intergovernmental organisation and the EC does not have the right in the Treaty to put forward such a legal form in a regulation. The EC can only participate in joint activities after negotiating a Cooperation Framework. As the EC would not be part of the governance the EC would have a limited influence on the definition of the calls for funding the joint activities, nor would the EC have a say on the acquisition and operation of the supercomputers. Finally, establishing such an organisation is unlikely to be operational by 2019, when the activities of the new legal entity have to start, as discussed above. In summary, this option would not lead to a legal entity that can jointly procure and operate HPC machines. The following table compares the baseline scenario and the discarded options against the functionalities which the new legal instrument should fulfil. As can be seen, none of them fulfils all the functionalities. 33 Baseline Scenario EEIG Galileo-type Intergovernmental Organisation Pool public and private funds 0 0 0 0 Execute joint procurements while operating under EU-law 0 0 OK 0 Implement a R&I ***programme*** OK maybe 0 OK Remain open to incorporate new MS/AC willing to join OK 0 0 OK Enable participation of the private sector OK OK OK 0 Safeguard the Union's interest through EC participation OK 0 OK 0 5.3 Option 1: ERIC The Community legal framework for a European Research Infrastructure Consortium (ERIC) is a specific legal form to facilitate the establishment and operation of research infrastructures33 with a clear European interest and the involvement of several European countries.34 The principal task of an ERIC is to establish and operate a research infrastructure on a non-economic basis. An ERIC can be used for establishing new research infrastructures or for operating existing research infrastructures which consider it useful to change their legal structure to become an ERIC. The ERIC can thus interconnect and federate regional, national and European HPC resources provided the research infrastructure meets the requirements set out in the ERIC regulation. The ERIC can provide the management of the coordination between the infrastructure and existing national computation resources and also, if agreed, regional computation resources. The ERIC framework has been developed primarily for new high-profile research infrastructures with a European dimension.35 Complementing national and inter-governmental schemes, the ERIC Regulation provides a common legal framework based on Article 187 TFEU. The ERIC has legal personality and full legal capacity recognised in all MS. Although an ERIC can be the beneficiary of H2020 grants, its current mandate does not allow it to get delegation to implement part of the H2020 ***programme***. Therefore the ERIC would 33 According to Article 2(a) 'Research infrastructure' means facilities, resources and related services that are used by the scientific community to conduct top‑level research in their respective fields and covers major scientific equipment or sets of instruments; knowledge‑based resources such as collections, archives or structures for scientific information; enabling Information and Communication Technology based infrastructures such as Grid, computing, software and communication, or any other entity of a unique nature essential to achieve excellence in research. 34 Council Regulation (EC) No 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC), OJ L 206, 8.8.2009, p.1 35 ERIC examples are the Integrated Carbon Observation System (ICOS ERIC), the European Multidisciplinary Seafloor and Water Column Observatory (EMSO ERIC), the Central European Research Infrastructure Consortium (CERIC ERIC). 34 not be able to define a ***strategic*** R&I agenda and implement it, but would depend on the H2020 WPs defined and implemented by the EC. ERIC's basic internal structure is flexible, leaving the members to define the statutes, membership rights and obligations, as well as the bodies of the ERIC and their competences, while complying with the essential requirements provided for in the ERIC Regulation. The members of an ERIC can be MS, ACs, third countries other than the AC and intergovernmental organisations. The EU represented by the Commission may participate in an ERIC. However, the EU participation as a full member in the ERIC and the way it would make available its financial contribution are currently not foreseen36 and would have to be defined in some way. While the ERIC Regulation leaves open the possibility of the EC (as an international organisation) to become a member of an ERIC and to contribute through its membership to the ERIC, this has not been the case in any of the 17 ERICs that have been established until now. In practice, the participation of the EC in an ERIC in whatever form would create a situation of conflict of interest whenever the ERIC would participate in calls from EU ***programmes***, as the EU would both be allocating budgets for the ERIC from EU ***programmes*** (notably H2020 and CEF) and would be co-responsible in a wise spending of such funds. The participation of industry is not foreseen in an ERIC. An ERIC as such is also closed to private funding, in turn restraining the participation and financial contribution by industry players to any future initiative. This is because the principal task of the ERIC is to establish and operate on a non-economic basis37. In principle, ERICs are not designed to pool resources from the EU and MS but mainly from the MS themselves. Likewise, it would make it difficult for an ERIC to implement a joint EU/MS procurement. An ERIC is recognised by the country hosting its seat as an international body or organisation for the purposes of the directives on VAT and excise duties.38 It also qualifies as international organisation for the purpose of the directive on public procurement.39 An ERIC may therefore, 36 Council Regulation (EC) No. 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC) – Recital (6): 'In contrast to Joint Technology Initiatives (JTI) constituted as Joint Undertakings of which the Community is a member and to which it makes financial contributions, a European Research Infrastructure Consortium (hereinafter referred to as ‘ERIC’) should not be conceived as a Community body within the meaning of Article 185 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ( 1 ) (the Financial Regulation), but as a legal entity of which the Community is not necessarily a member and to which it does not make financial contributions within the meaning of Article 108(2)(f), of the Financial Regulation. 37 See Recital (8) of Council Regulation (EC) No. 723/2009: 'An ERIC set up under this Regulation should have as its principal task the establishment and operation of a research infrastructure on a non-economic basis and should devote most of its resources to this principal task. In order to promote innovation and knowledge and technology transfer, the ERIC should be allowed to carry out some limited economic activities if they are closely related to its principal task and they do not jeopardise its achievement. The establishment of research infrastructures as ERICs does not exclude that research infrastructures of pan-European interest that have another legal form can equally be recognised as contributing to the progress of European research, including to the implementation of the roadmap developed by ESFRI. The Commission should ensure that ESFRI members and other interested parties are informed about these alternative legal forms. 38 Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to 39 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC 35 under certain limits and conditions, benefit from exemptions from VAT and excise duties on its purchases in all EU MS and it may adopt procurement procedures respecting the principles of transparency, non-discrimination and competition but not subject to the directive on public procurement as implemented in national law. The advantage of the ERIC is that it can be setup with a rather lightweight and fast process. This would give confidence that by 2019 the ERIC would be operational and could implement, at least partially, the objectives of the HPC strategy. However, this would not solve some of the present shortcomings of the baseline scenario, like the difficult synchronisation of calls. To include in the mandate of the ERIC the possibility to implement H2020 calls on behalf of the EC this would require a revision of the ERIC regulation, which in turn is a lengthy process. Based on the above arguments, the table below summarises how the ERIC responds to the functional requirements the EuroHPC instrument should fulfil: ERIC Pool public and private funds ERICs are designed to pool resources mainly from the MS Execute joint procurements while operating under EU-law The EU participation as a full member in an ERIC is not foreseen, but under certain conditions the EC may participate. Joint EC/MS procurement is difficult Implement a R&I ***programme*** Current mandate does not allow ERIC to get delegation to implement part of the H2020 ***programme*** Remain open to incorporate new MS/AC willing to join OK Enable participation of the private sector Industry cannot become member of an ERIC Safeguard the Union's interest through EC participation The EU participation as a full member in an ERIC is not foreseen, but under certain conditions the EU may participate 5.4 Option 2: Joint Undertaking A Joint Undertaking (JU) is a Union Body established under Art 187 TFEU40, which can be used for the indirect management of the EU budget.41 A JU is therefore an autonomous EU legal entity, with its own staff, budget, structure, rules and governance that can be tasked to implement actions under ***programmes*** such as H2020 and CEF. It can combine EU budget with other sources of funding (national, private, etc.), allowing the implementation of R&I and demonstration ***programmes*** in an integrated way. Public authorities at different levels from the MS (national, regional), the Union represented by the EC and other stakeholders like industry can become members of a JU. JUs have been used in FP7 and H2020 to establish the Joint Technology Initiatives (JTIs): Public-Private Partnerships (PPPs) that define and implement the ***Strategic*** Research Agendas (SRAs) of a limited number of areas where the scale and scope of the objectives is such that 40 A JU is established by a Council Regulation, taking into account the opinion of the European Parliament and the European Economic and Social Committee. 41 In accordance with Art 58.1(c)(iv) of the Financial Regulation (FR) 36 loose co-ordination through European Technology Platforms (ETPs) and support through the regular instruments of the Union's Research Framework ***Programme*** are not sufficient. According to their founding regulations JUs have their own governance structure but can also share some functions (e.g internal audit) with other already existing JUs for efficiency reasons. Each JU includes a Governing Board, an Executive Director as well as other bodies, including advisory bodies, depending on its specific operational and governance needs. JUs have a dedicated budget and staff and provide a framework for the public and, when appropriate, private players to work and take decisions together. They can organise calls for proposals and put in place implementation arrangements. They thus allow funds from different sources to be jointly managed and they are responsible for the related ***planning***, monitoring and reporting activities. JUs can also carry out procurement procedures. Each JU has its own procurement and financial rules adopted by the Governing Board, based on the Union's model Financial Regulation. Established as a Union body, a JU can benefit from VAT and excise duties on its purchases in all EU MS and may adopt procurement procedures not subject to the Directive on public procurement as implemented in national law. JUs provide the legal, contractual and organisational framework to structure the joint commitments of public and private stakeholders and monitor the implementation against agreed Key Performance indicators (KPIs). In addition, they offer a firm governance structure and budgetary certainty to all stakeholders. JUs offer the possibility of joint activities between MS and the EU, allowing to keep e.g MS/AC participation flexible according to country-specific priorities. Nevertheless, there is co-responsibility in the strategies and modes of implementation chosen. A report of the Estonian presidency42 reflected the very positive view that industry partners and researchers express on this kind of PPPs. The report indicates that such partnerships are a good instrument for strengthening the industrial base of Europe by connecting the European ecosystem to global companies and by encouraging good quality industry-led research which enables the EU to remain competitive and a leader in innovation and technology. There are several good reasons to establish a JU in the area of HPC: (i) the added value of the combining EU and national funding; (ii) the coordination and rationalisation of procurement and R&I investments at European level; (iii) the possibility to safeguard the Union's interests as the EU can be member of the JU, by exerting its decisional powers in the JU Governing Board; (iv) the possibility to combine innovation procurement instruments (PCP and PPI) to fund the development of innovative European technology and procure afterwards this technology; (v) the possibility to protect the Union's economic interests (by activating the option provided for in Article 30.3 of the H2020 Model Grant Agreementrestricting the transfer of IPRs and Article 28 to first exploit the project results in the Union). The ECSEL JU43 is a good example for establishing and operating a JU in HPC. ECSEL has just been the object of an interim evaluation by an independent expert panel which concluded that the combination of EU, national and private investments under a single R&I scheme optimises the leverage of public funding and ensures a strong alignment of effort along a 42 'Increased coherence and openness of European Union research and innovation partnerships'. Final Report, Republic of Estonia Government Office, Technopolis group, June 2017,   [*http://www.technopolis-group.com/report/increased-coherence-openness-european-union-research-innovation-partnerships/*](http://www.technopolis-group.com/report/increased-coherence-openness-european-union-research-innovation-partnerships/) 43 ECSEL (   [*http://www.ecsel-ju.eu/*](http://www.ecsel-ju.eu/)) attracts the industry and research community in the semiconductor and embedded systems domains, OJ L 169, 7.6.2014, p. 152–178. 37 unified European strategy. Over the years 2014-2016, the EU has invested in ECSEL EUR 460 million out of a total of EUR 1.2 billion until 2020. This has leveraged roughly the same amount of national funding and a double amount of funding from industry (corresponding to an EU funding leverage factor of 4.26). ECSEL JU is clearly recognised as successful in attracting the best European players in the semiconductor and electronic components and systems domains and has so far been instrumental in structuring the sector in Europe around a common SRA. A similar effect is expected with the EuroHPC JU. It is to be noted that the EC (DG CNECT) has an extensive experience acquired in the establishment and operation of the ECSEL JU, which can be used in setting up and running the EuroHPC JU. Based on the arguments presented above the table below summarises how the JU responds to the functional requirements of the EuroHPC legal and financial instrument: Joint Undertaking Pool public and private funds Can combine EU budget with other sources of public and private funding Execute joint procurements while operating under EU-law Can carry out joint procurement - is recognised by the country hosting its seat as an international body or organisation for the purposes of the directives on VAT and excise duties Implement a R&I ***programme*** JU is a Union Body established under article 187 TFEU and can be tasked to implement actions under ***programmes*** such as H2020 and CEF Remain open to incorporate new MS/AC willing to join OK Enable participation of the private sector Industry can participate in the JU Safeguard the Union's interest through EC participation The EU represented by the Commission can be member of the JU and exert its decisional powers in the JU Governing Board 38 6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS? This section analyses the economic, environmental and social impact of the options in line with the Better Regulation Guidelines together with the coherence with other policy and the views of stakeholders. 6.1 Option 0: Baseline scenario Effectiveness Pillar 1: Infrastructure development, acquisition and operations H2020 has a dedicated instrument for innovation procurement that sets the EU financial support at maximum 35% of the cost of a procurement action. The experience that the EC has developed when using this instrument for procuring HPC machines in H2020 is that the procurement process should be attractive for the Tier-0 supercomputing centres of the PRACE hosting countries, since these centres are always mandated by the MS to do the national HPC procurements. The following procurement principles were thus agreed and put in place: General specifications of the HPC machines were collectively defined by the supercomputing centres. Customised 'local specifications' were then added by each supercomputing centre to address the specific national user needs of the hosting country. Then these became the basis for each centre to procure its machine. The procured machines are then co-designed with national scientific communities to optimize performance. Overall, such procurement process, while attractive for the supercomputing centres, is not suitable for the European agenda. It is optimized to serve national scientific needs and it results in procuring machines that may not be the most performing ones required at EU level. A different design would not attract supercomputing centres to participate in the procurement process. Once in operation, access to procured PRACE Tier-0 machines is essentially reserved to those MS hosting the machines (~60 to 90% of machine time). The other MSs pay a contribution to the operating costs of the machines to get access, but their scientists have to participate in a peer-review process based on excellence. As already explained in previous sections, there is a high demand and only a small number of applications are satisfied. Furthermore, this peer-review process is not adapted to industrial users because their applications are not necessarily driven by scientific excellence. In conclusion, the baseline scenario is not effective for implementing Pillar 1. Pillars 2 and 3: Research and Innovation and Applications and skills development The H2020 WP 2018-2020 supports well actions for HPC application and skills development through: (i) the HPC CoEs14; (ii) large-scale HPC-enabled industrial pilot test-beds for big data applications and services; and (iii) the Fortissimo-2 project44, providing access of user SMEs to HPC resources. In addition, the CEF WPs support application development for the public sector. The baseline scenario is effective in developing applications and skills and supporting user SMEs (Pillar 2). The H2020 WP 2018-2020 also supports technology and knowhow development through a different set of activities, ranging from fundamental research to the development of prototype systems. The funded R&D projects are generally reaching their objectives and contribute to establishing the European HPC ecosystem. However, as already explained in previous sections, the present way in implementing Pillar 3 is not effective as the funding of its activities is fragmented in two different ***programmes*** (CEF and H2020) and in three different 44   [*https://www.fortissimo-project.eu/*](https://www.fortissimo-project.eu/). Fortissimo Marketplace offers to SMEs a self-service of HPC resources, software applications, expertise and tools, delivered by Europe’s major HPC technology providers. 39 WPs of H2020 (FET, LEIT-ICT and Research Infrastructures). Even if the individual projects are successful and deliver functional components and prototypes, these are rarely integrated later on in the machines that are procured. As a result, the Union's R&D investment does not result in the development of European HPC machines that could be further supported through a lead market perspective. The baseline scenario is thus not effective to implement the EuroHPC strategy and to develop the world-class supercomputers based on European technology. Efficiency / Impact on economy, competitiveness, competition and SMEs The baseline scenario fails to foster a European supply industry of HPC technology and the take-up of the R&D results into commercial products is too limited compared to the R&D investments the Union is making. Moreover, due to the open nature of the H2020 calls non-European industry can directly benefit from the H2020 activities, increasing their competitiveness, which helps them to keep or expand their market share in Europe. The baseline scenario can foster the innovation potential of user SMEs (see above). However, it fails to provide the computing facilities European industry users need. As supported by the stakeholders' survey findings, industry users either have to turn towards machines of lower computing performance than their non-EU competitors, resulting in longer development processes or products of lower quality, or they take their product developments outside the EU to access the computing power they need to stay competitive. In conclusion, the baseline scenario has a limited impact on the economy and on competitiveness, competition and the technology supply SMEs. Social and Environmental Impact The availability of world-class computing capabilities and a high accessibility would accelerate the research on topics of environmental relevance like weather forecast, climate change, ***agriculture***, urban ***planning***, renewable energy production, natural hazard prevention, traffic management, etc. The baseline scenario can have only a limited social and environmental impact since it cannot provide the performance levels and accessibility required to make advances in these fields in pace with the non-EU competitors. Stakeholder support More than 80% of the respondents to the consultation indicated that the current implementation model is insufficient to address the challenges Europe currently faces in HPC and advocate for a new instrument. on the basis of two main arguments: • The level of EU-wide coordination and cooperation of HPC initiatives is currently insufficient in a qualitative and quantitative sense, resulting in a strong fragmentation of individual efforts across Member States, across different stakeholders (e.g industry/science) as well as across current EU-wide initiatives. • Continuing in the current mode of fragmented and insufficient efforts, the EU is relegated against its global competitors (USA, China) in a field as ***strategic*** as supercomputing. 6.2 Option 1: ERIC Effectiveness Pillar 1: Infrastructure development, acquisition and operations 40 ERIC was conceived as an instrument for the MS to jointly establish and operate pan-European research infrastructures on a non-economic basis. Potentially, an ERIC can become a very effective instrument for procuring and operating world-class HPC and data infrastructures for European use. The statutes of the ERIC would also guarantee that all MS will have open access to the ERIC procured machines under conditions announced from the beginning.45 The ERIC would provide free access for researchers and the public sector to the ERIC machines. Access to industry for private purposes would have to be done on a pay-per-use basis at market prices, since ERICs are established to work on a non-economical basis.46 Overall, the effectiveness of an ERIC for procuring and operating HPC machines would depend on how MS would put it in place. As there are already many ERICs operating since several years, the established experience would help MS to set up the HPC ERIC in an effective way.47 In conclusion, ERIC can be an effective instrument for implementing Pillar 1. Pillars 2 & 3: Research and Innovation; and Applications and skills development ERIC was not conceived as an instrument for the MS to jointly ***plan*** and support R&D activities and for application development. Its current mandate does not give it the possibility of defining and developing a ***strategic*** R&I agenda; and, it does not allow it to get delegation to implement part of the H2020 ***programme***. The ERIC cannot implement itself calls for R&I proposals and would have to be combined either with the baseline scenario for financing such activities or with another legal and financial instrument supporting such activities. An alternative scenario for an ERIC could be to participate in the co-design of world-class HPC machines, if it sets up a consortium including the relevant industrial and academic partners. This is possible, provided its mission is defined in its statutes in very broad terms, so that it can be a beneficiary of H2020 grants. However, this would require altering in a rather fundamental way the ERIC's mandate; it would also require for the ERIC to assemble the right consortium (academia and industry partners) in an open and transparent way to participate in an open H2020 R&I call on co-designing HPC systems; and, finally, to make sure it is selected in the call. This last would mean that MS are involved both in defining the respective call priorities and budgets and in bidding for getting the funds. In conclusion, ERIC is not an effective standalone instrument to achieve excellence in applications, or for technology and innovation development that would be integrated in world class HPC machines. Efficiency / Impact on economy, competitiveness, competition and SMEs The ERIC would have an effect on the coordination of the national HPC strategies. It would lead to the joint procurement and management of a world-class HPC infrastructure. It would 45 According to Article 4 of the ERIC regulation, the research infrastructure must meet the requirement of an '… (c) effective access, in accordance with the rules established in its statutes, is granted to the European research community, composed of researchers from Member States and from associated countries …' 46 Up to 20% of an ERIC activity can be run on market conditions. If the demand is higher, it would require the establishment of a spin-off entity to manage such activities. 47 As an ERIC is an international organisation (within the meaning of the procurement directive), it can choose to adopt its own procurement policy respecting the principles of transparency, non-discrimination and competition. It is expected that the MS would be represented in the ERIC by their national supercomputing centre. Relying on these centres for the HPC machine procurement would add value, as they are the most experienced organisations in handling procurement of supercomputers. This might though compromise the possibility of cooperation of these centres in the procurement process as the centre will be both a member of the ERIC and participate at the same time in the co-design process of the HPC machines to procure. 41 achieve a better allocation of resources at European level, avoiding duplication of efforts, and optimisation of spending focusing on the relevant areas. The ERIC could set clear targets for the development of the world class HPC machines, creating a lead market. This would incentivise to some degree the research centres and HPC technology suppliers to develop and integrate, at least part of, the European HPC technology. The ERIC would thus permit to support to some extent the European suppliers to develop technology and sell it giving them opportunities to become more competitive. This would in particular benefit the SMEs, as the majority of European HPC suppliers are SMEs. However, as the ERIC cannot implement a R&I agenda and guarantee the integration of European technology developments into future HPC machines, its impact on economy and on European industry competitiveness is expected to be rather limited. Social and Environmental Impact The availability of world class computing performance and a high accessibility that the ERIC would achieve would permit accelerating the research on topics of social and environmental relevance like health, environment (weather forecast, climate change), ***agriculture***, renewable energy production, safety (e.g , natural hazard prevention), smart cities and traffic management, etc. The ERIC would thus have a clear societal and environmental impact. Stakeholder support The respondents to the consultation (see Annex 2) ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as a key problem area, in particular the respondents from the technology supply industry. The choice of an ERIC would not permit to improve drastically this situation. 6.3 Option 2: Joint Undertaking (JU) Effectiveness Pillar 1: Infrastructure development, acquisition and operations A JU can define its own procurement and financial rules and carry out its procurement procedures following rules to be agreed by its governing board that need to be based on the Union's model Financial Regulation. By being responsible for the HPC machine procurement process (with the help of experienced national experts), the JU will open the possibility for future hosting supercomputing centres to cooperate in this process and in particular to participate in the co-design activities of the JU machines. This is a very effective way to benefit from the supercomputing centres in designing and procuring a leading HPC and data infrastructure in Europe. Within the competences established by the statutes of the JU, the JU governing board would define the access conditions for the users of the JU machines. The JU governing board would have to define and manage the access of public and private users to the machines under similar conditions as the ones mentioned above for ERICs. In conclusion, the JU is an effective instrument for jointly procuring world-class HPC and data infrastructures for European use. Pillars 2&3: Research and Innovation; and applications and skills development A JU can be used for the indirect management of the EU budget. It is an autonomous EU legal 42 entity that can be tasked to implement actions under ***programmes*** such as H2020 or CEF. It can combine EU budget with other sources of funding (national, private, etc.), allowing the implementation of research, technological development, pilot application and demonstration ***programmes*** in an integrated way. The JU would be tasked to implement all those HPC activities foreseen in the CEF and H2020 WP 2018-2020 through the launch of competitive open calls. Firstly, it would ensure a seamless continuation of the present calls, serving different scientific and industrial user and technology supply communities. Secondly, it would implement calls for R&I proposals according to the H2020 rules that would be open to any eligible beneficiary. The JU would provide transparency and openness in its operations. The JU would include in its governance structure a scientific advisory board bringing together scientific and industrial users and technology suppliers, supercomputing centres, CoE representatives and other researchers to define the long term ***strategic*** research agenda (SRA) of the JU and give advise on the draft yearly Work ***Plans*** to implement this SRA. The latter would be decided and adopted by the governing board of the JU. This will ensure coordination with national ***programmes*** and will permit to ***plan*** and synchronise the different calls and activities towards the achievement of the overall goal of the JU, i.e the development of a European HPC ecosystem. Each subsequent call would build on the results of previous calls ensuring continuity. In particular calls for innovation procurement would be ***planned*** that make the participation to the procurement conditional to the successful conclusion of prior European R&D projects and/or specify a preference for the integration of R&D results previously developed by the European R&D ***programmes***. The JU can thus become a very effective instrument to achieve excellence in applications, and for technology and innovation development that would be integrated in world class HPC machines based on European technology. Efficiency / Impact on economy, competitiveness, competition and SMEs As in the case of ERIC, a JU would have a clear positive effect on the coordination of national HPC strategies, enabling the joint procurement of leading HPC infrastructure and avoiding duplication of efforts and waste of resources. Its possibility to pull together funds from different public and private sources, including the structural funds, to be jointly managed combined with its possibility to implement a stakeholder-defined ***strategic*** R&I agenda would permit: (i) to increase the JU's overall ***programme*** efficiency; (ii) to achieve a better allocation of resources at European level; (iii) to optimise the spending on the relevant European priority areas; and (iv) industry players to contribute to defining the JU's ***strategic*** R&I agenda and annual calls, in line with their own ***strategic*** developments in the field. Furthermore, by procuring innovation, the JU can set clear targets for the development of HPC machines integrating European-based technology, creating a lead market. This would permit to further incentivise the European HPC suppliers to work with research centres and invest into HPC technology development and into integrated machines which could be acquired by the JU. Through its activities, the JU could thus achieve a significant leverage effect on private investment and related economic activity. It could lead to a larger market share of European suppliers, and impact directly the competitiveness of European industry. These are confirmed by the findings of the recent study on partnerships of the Estonian presidency38 and those of the interim evaluation of the ECSEL JU confirm such potential economic impact of the JUs: 43 every one Euro invested by the public sector leverages two Euros from the private sector. In conclusion, the JU can have a clear positive impact on economy, competitiveness, competition and SMEs, much higher than that of the baseline scenario or ERICs. Social and Environmental Impact Similar to an ERIC, the JU would also enable the availability of world class computing performance and a high accessibility and would permit accelerating the research on topics of social and environmental relevance. Furthermore, as the JU would have a direct positive impact on the competitiveness of European industry, this in turn is expected to be translated on a positive effect on jobs. Stakeholder support There is a large majority of respondents to the targeted consultation arguing in favour of setting up a new instrument for the implementation of a truly European, integrated, HPC strategy (see Annex 2). Indeed, the respondents to the consultation ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as a key problem area. A JU would certainly set the basis for improving the present situation in the future. The possibility that the JU offers to industry to directly participate in the definition of the JU's ***strategic*** R&I agenda and annual calls is also considered to be of key importance for the European supply industry for increasing its technological edge versus competing global companies. A clear industry support can thus be concluded for the JU instrument. The recent study on R&I partnerships of the Estonian presidency seems to confirm this.48 In addition, from the non-polemic responses to the publication of the EuroHPC Inception Impact Assessment (see Annex 2) a clear support can be concluded not only for a new initiative but also explicitly for a JU as the best instrument. 7. HOW DO THE OPTIONS COMPARE? This section presents a comparison of the options in the light of the impacts identified. The options are assessed against the core criteria of effectiveness, efficiency and coherence, as well as taking into account the support expressed by the different stakeholders. Effectiveness of the instrument Both the ERIC and the JU would have a positive impact compared to the baseline scenario. However, while the JU would have a positive impact on the 3 pillars, the ERIC is not an effective instrument to implement a research ***programme*** with the aim to develop the technology that would be integrated in leading European HPC machines. The ERIC is an effective instrument only for the development, acquisition and operation of the HPC infrastructure. Impact on economy, competitiveness, competition and SMEs Both instruments, ERIC and JU, would have a positive economic impact as compared to the baseline scenario. However, the impact of the ERIC is expected to be much lower than that of 48 'Industry partners and researchers express very positive views on JTIs. A common research agenda is implemented and there is a large emphasis on partnerships and collaboration to ensure that EU remains competitive and a leader in innovation and technology', Section 3.2 of the Estonian Presidency study.42 44 the JU. This is mainly due to the fact that the ERIC cannot be tasked to implement a R&I ***programme***. Its economic impact would thus be more indirect, originating in essence from the increased availability and accessibility of world-leading HPC infrastructure. Furthermore, the JU can pull together funds not only from public sources (like ERICs do) but also from private ones. The JU also gives the possibility to industry players to steer the JU's R&I agenda which can lead to a significant leverage effect on private investment and related economic activity and impact directly the competitiveness of European industry. Social and environmental Impact Both instruments, ERIC and JU, have a clear positive almost identical societal and environmental impact. Stakeholder opinion According to the outcome of the public consultation (see Annex 2) there is a clear demand for a more effective instrument to implement the European HPC strategy. However, as the respondents to the consultation ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as key problem area, the choice of a JU would certainly set the basis for improving this situation in the future. Based upon the impact analysis performed in Section 6, the following table compares the merits of a new EU-wide collaborative effort on HPC (i.e options 1 or 2) against the baseline scenario (0): Impacts Option 0: Baseline Scenario Option 1: ERIC Option 2: JU Effectiveness x (Pillar 1: Infrastructure) x (Pillars 2&3: Applications and R&I agenda) √ (Pillar 1: Infrastructure) x (Pillars 2&3: Applications and R&I agenda) √ (Pillar 1: Infrastructure) √ (Pillars 2&3: Applications and R&I agenda) Impact on economy, competitiveness, competition and SMEs √ √√ √√√√ Social and Environmental Impact √ √√ √√ Safeguarding Union interests through EC participation √ 0 √ TOTAL √ √√√√ √√√√√√√√√ Table 1: Comparing the Impact of the different options. The symbols 'x' and '√' indicate respectively positive (√) and negative (x) impacts, the number of the symbols is the net result of the summing-up of the respective individual ratings of the policy option and indicates the magnitude of the change. The above comparison demonstrates that an EU-wide collaborative effort on HPC (i.e Options 1 or 2) offers indeed significant added value for the European economy, society and environment vis-à-vis the baseline scenario option. 45 8. SELECTION OF PREFERRED OPTION AND HOW WILL THE EUROHPC JU WORK The above analysis has shown that a Joint Undertaking (JU) represents the best instrument capable to implement the goals of EuroHPC while offering the highest economic, societal, and environmental impact while best safeguarding the Union’s interests. The business-as-usual option does not address the 4 key problems of the current European HPC strategy implementation model as identified in Section 2.2 Therefore, the business-as-usual option is considered as inappropriate to build up the EuroHPC strategy. In summary, the main arguments in favour of a JU as the preferred policy option to implement the EuroHPC entity are: • It fulfils all functional requirements of the legal entity to implement the objectives. • It provides a visible legal, contractual and organisational common framework to structure the joint commitments of the public and private stakeholders. • It provides of a firm governance structure and budgetary certainty to all stakeholders. • It can implement a joint procurement and operate world-class HPC systems via promotion of technology, particularly European one. • It can launch R&I ***programmes*** for developing technologies and their subsequent integration in European exascale supercomputing systems and contribute to developing a competitive European technology supply industry. • It has a positive impact on all 3 pillars, for developing a thriving European HPC and Big Data ecosystem. In addition, the following arguments speak in favour of the chosen option: The EC already has experience on setting-up and managing JUs. In particular the experience gained from implementing the ECSEL JU will be helpful. First, it is a tripartite agreement, bringing together the EC, the MS and the private sector, as would be the case for EuroHPC. The governance and the administrative processes are well understood, the strengths and weaknesses well known. The EuroHPC would build on the ECSEL structure taking over its strength and mitigating its weaknesses. In particular, EuroHPC would benefit from the revision of the ECSEL regulation that is going on, addressing the shortcomings that have been identified in the day-to-day operations of ECSEL. How will the EuroHPC JU operate? The members of the JU will be the Union (represented by the EC), the MS and AC, and the HPC and Big Data stakeholders, including academia and industry. Only the public partners of the JU will be responsible for its Pillar 1 activities (Infrastructure development, acquisition and operations) in order to avoid any conflicts of interest of the private partners in the procurement process of the JU machines. The governance of the Joint Undertaking will be structured in the following way: • The Governing Board will be composed of representatives of the public partners of the JU. It will be responsible for ***strategic*** policy making and for the funding decisions related to the activities of all the three JU pillars. Voting rights and procedures will be, in principle, proportional to the financial contributions of its members. • The Industrial and Scientific Advisory Board will be composed of representatives of the HPC and Big Data stakeholders. It will have an advisory role and will include two advisory groups: 46 (i) The Research and Innovation Advisory Group will include representatives of academia and industry users and technology suppliers. It will be responsible for elaborating a medium- to long-term research and innovation agenda on technology and applications, covering the research, innovation, applications and skills development activities of the JU (Pillars 2&3). (ii) The Infrastructure Advisory Group will include experienced academia and user industry experts selected by the Governing Board. They will provide independent advice to the Governing Board on the procurement and operation of the machines owned by the JU (Pillars 1&4). The JU machines will be interconnected with the existing Tier-0 PRACE and other existing national machines (via the GEANT network) and be made available to the public and private users. The Governing Board will have the responsibility of defining and assuring the overall monitoring of the access and use rules of the JU machines. The EuroHPC JU will procure and own those HPC machines funded mainly by the Union, so that these machines are jointly owned by the JU members contributing to their procurement. For simplicity, the JU would not operate the procured machines itself but delegate their operation to a hosting entity (ideally to be selected by the JU following a competitive Call for Expression of Interest). The selection of the hosting entity would have to be done according to well defined criteria. The JU would remain the owner of the procured machines until they are depreciated (typically after 4 to 5 years of operation). Then ownership would be transferred to the hosting entity for machine decommissioning and disposal or any other use. The budget of the JU will be of the order of approximately EUR 1 billion (composed of an EU contribution of around EUR 486 million matched by a similar amount from the MS/AC). It is also expected that the private stakeholders will significantly contribute to the JU activities related to Pillars 2 and 3. The JU budget would ensure the operations and payments of all the activities that the JU would have launched at the latest by the end of 2020 until their termination around 2025/2026. It could then be wound up. 9. HOW WOULD ACTUAL IMPACTS BE MONITORED AND EVALUATED? Monitoring will start with the establishment of the new legal instrument. An explicit clause to monitor on an annual basis the key performance indicators (KPIs) will be included in the legal instrument. The first assessment will take place with the publication of the call for tender for the pre-exascale machines. An explicit evaluation and review clause, by which the EC will conduct an independent evaluation, will be included in the legal instrument. The EC will subsequently report to the European Parliament and the Council on its evaluation accompanied where appropriate by a proposal for its review, in order to measure the impact of the instrument and its added value. The Commission Better Regulation methodology on evaluation will be applied. These evaluations will be conducted with the help of targeted, expert discussions, studies and wide stakeholder consultations. The Executive Director of the legal entity should present to the Governing Board an ex-post evaluation of EuroHPC's activities every two years. The legal entity should also prepare a follow-up action ***plan*** regarding the conclusions of retrospective evaluations and report on progress bi-annually to the Commission. The Governing Board should be responsible to monitor the adequate follow-up of such conclusions. Alleged instances of maladministration in the activities of the legal body may be subject to inquiries by the European Ombudsman in accordance with the provisions of Article 228 of the Treaty. 47 The list of KPIs that could be used to monitor progress towards meeting the objectives, impact and success of the JU is as follows: • At least two pre-exascale machines jointly procured. • Computing hours made available for European researchers increase with respect to the hours currently available through PRACE. • Oversubscription of the machines made available at European level decrease well below the current levels. • The number of user communities served and number of researchers getting access to the European pre-exascale machines increases when compared to the number of those having to look for computing resources outside Europe. • Competitiveness of European suppliers starts increasing, measured in terms of global market share of European HPC systems, components and tools, and in terms of share of European R&D results taken up by industry. • Contribution to next generation HPC technologies, measured in terms of patents, scientific publications and commercial products. • Number of European applications adapted to pre- and exascale systems. • Number of scientists, students, users (industrial and public administrations) trained.

**Load-Date:** January 26, 2018

**End of Document**



[***Council of the European Union: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking ST 5282 2018 ADD 4***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RGX-Y7T1-F0YC-N3K0-00000-00&context=1516831)

Impact News Service

January 25, 2018 Thursday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 15161 words

**Body**

Brussels: Council of the European Union has issued the following document:

5282/18 ADD 4 MI/lv DG G 3 C EN Council of the European Union Brussels, 12 January 2018 (OR. en) 5282/18 ADD 4 RECH 15 COMPET 22 IND 14 TELECOM 11 IA 11 Interinstitutional File: 2018/0003 (NLE) COVER NOTE From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 11 January 2018 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: SWD(2018) 6 final - Part 2/4 Subject: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking Delegations will find attached document SWD(2018) 6 final - Part 2/4. Encl.: SWD(2018) 6 final - Part 2/4 EN EN EUROPEAN COMMISSION Brussels, 11.1.2018 SWD(2018) 6 final PART 2/4 COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking {COM(2018) 8 final} - {SWD(2018) 5 final} 1 ANNEX 1: PROCEDURAL INFORMATION The initiative is led by DG CONNECT. The agenda ***planning*** reference is ***PLAN***/2017/1304. The initiative on establishing EuroHPC was included in the Commission Work ***Programme*** for 2017. The Impact Assessment was prepared by DG CONNECT and was closely coordinated with the Inter-Service Steering Group (ISG). In 2017, three meetings of the ISG were held. The first meeting took place on 28th July 2017, attended by DG CNECT, RTD, GROW, JRC, and the Secretariat General (SG). The second meeting was held on 21st September 2017, attended by representatives from DG CNECT, RTD, GROW, JRC, LS and the Secretariat General (SG). This was the last meeting of the ISG before the submission to the Regulatory Scrutiny Board on 27 September 2017. The third ISG meeting was held on 13th November 2017, focusing on the Draft Regulation for a EuroHPC Joint Undertaking.

It was attended by representatives from DG CNECT, RTD, JRC, LS and the Secretariat General. 1. Recommendations of the Regulatory Scrutiny Board The Regulatory Scrutiny Board (RSB) of the European Commission examined the draft Impact Assessment on 25 October 2017 and issued a positive opinion with reservations. These were addressed as follows: RSB recommendations Modification of the IA report The report is not clear enough with regard to what decisions it is supposed to inform and what timing it covers. The report was redrafted to a large extent to describe what the decision sought is about and what are the problems that the decision will have to address. It focuses only on the decision related to setting up a self-standing joint structure that would operate with funding from this MFF, without depending on possible funding decisions of the next MFF. All the objectives that this joint structure will have to reach have been were re-written accordingly and the sections (e.g sections 5 and 6) affected were revised. The report does not build sufficiently on past experiences and lessons from earlier applied research projects, such as Galileo, JUs, ERICs, or ECSEL. The report summarises existing activities and experiences built in when implementing the Union’s HPC strategy since 2012. Wherever relevant, experiences were included from implementing past instruments such as JUs, ERIC or ECSEL and their applicability on the joint HPC structure and/or in running its operations. The report does not provide enough information about how the joint entity would operate. This makes it hard to judge how likely the public-private partnership This is now explicitly covered in particular in sections 4 and 8 of the revised Impact Assessment. 2 is to deliver well on its different objectives. The report does not adequately present the views of the different groups of stakeholders. The analysis of the targeted consultation was expanded, detailing the responses per group of stakeholder – see Annex 2. The report should be refocused on the decision it is meant to inform, which is the legal form of the joint entity. The report needs to streamline its presentation of context and scope, and set these out vis-a-vis the decision at hand. The report should clarify relevant aspects of funding and the legal base. It should explain the purpose of the decision and why this needs to be taken now. In the introduction of the revised Impact Assessment the scope and context of the decision sought were re-expressed. In the same section a paragraph was added outlining the funding aspects. The need to act now is highlighted in a new section 3.1 Funding issues were clarified in the same section. The report should clearly explain that the current decision only covers the first phase (pre-exascale) and that this is a self-standing project. It should explain how this will not pre-empt the decision (or the financing) of the next step of the exascale HPC. In section 1 of the Impact Assessment a paragraph was introduced summarising that the decision is about setting up a self-standing joint structure that would operate with funding from this MFF, without depending on possible funding decisions of the next MFF. All the objectives that this joint structure will have to reach were re-written accordingly (section 4) and the other affected sections (e.g sections 5 and 6) were revised. The report should better describe how the joint structure would work. This includes how it is to be funded, private and public participation, nature of activity and exit strategies. What is this structure supposed to do over time, and what would be its governance structure? Who should be partners and what are the criteria for the participation of private parties? What is the envisaged (exit) strategy when the HPC machines become obsolete? The report should also clarify the relations with third countries and what is meant by an 'indigenous' European project. The assessment criteria for the different legal options should reflect the functionalities that the envisaged structure would require. The ***intervention*** logic should adequately reflect the narrow scope of the decision at hand. A number of ambiguities and unnecessary complexities can Both the objectives and the specific objectives of the joint structure were revised (Section 4) and a new section (4.2) was introduced to describe in detail the functionalities that the joint structure should fulfil. Section 5 (available policy options) was partly rewritten and all options are now compared against the functionalities which should be fulfilled by the joint structure. Section 4.2 and section 8 (describing the preferred option) provide the requested details on the functioning of the joint structure (activities, partners, governance structure, exit strategy, etc.). 3 therefore be removed. Given this narrower approach, there is no need to justify the decision to jointly invest with the Member States on HPC capability, except in terms of background and context. Repeated arguments on this can be placed in an annex or dropped. The background and context sections were rewritten to a large extent. The whole Impact Assessment document was streamlined, removing redundancies. The report should make clear that the project rests on a model that has already been tested and evaluated. In assessing which legal form is the most suitable, the report should review lessons learnt from past experiences about legal forms and pre-commercial procurement. It could usefully draw on experiences with such applied research projects as Galileo, previous JUs and ERICs, and the ECSEL joint undertaking. In section 5 of the Impact Assessment, describing the options, lessons learnt from past experiences with handling joint entities like ERICs or JUs (incl. ECSEL), were inserted. The report should clarify in which ways the joint entity will overcome existing barriers for applied research on coordination and synchronisation of Member States' research and HPC activities, in terms of open calls for research grants, and in terms of pre-commercial procurement and IPR rules. The redrafted sections 4 (Objectives) and 8 (preferred options) of the Impact Assessment clarify and detail how the joint structure will overcome existing barriers. The monitoring section should explain what success would look like. It should define some measurable success criteria, which could be divided into direct operational criteria for the HPC activity undertaken in itself and the wider indirect benefits for broader research and innovation in Europe. The success criteria were redefined to include measurable criteria, addressing both the HPC activities undertaken, as well as the wider benefits for research and innovation. The report should expand on how different groups of stakeholders have responded to the different options, highlighting both support and any concerns. The analysis of the targeted consultation was expanded, detailing the responses per group of stakeholder (Annex 2). This detailed breakdown reveals a large consensus among the different stakeholder groups. Where relevant, citations were included in the Impact Assessment. 4 2. Evidence Base for the Impact Assessment The Commission gathered qualitative and quantitative evidence from various recognised sources of the EU institutions: • The European Cloud Initiative (ECI)1 adopted by the Commission (EC) on 19 April 2016 as part of its Digitising European Industry strategy; • The Communication adopted by the European Commission in April 2016 on the ECI2 and underlying analytical study3; • The European Investment Bank study Access-to-finance for European Cloud and High Performance Computing4; Quantitative figures and arguments that have been used from other relevant officially recognised data sources include: • Partnership for Advanced Computing in Europe (PRACE) official annual reports and data therein5; • The US Department of Energy ***program*** Advanced Scientific Computing Research (ASCR) statistics and data6; • Top 500 initiative's list of world's best supercomputers7; • STATISTA statistics and databases8; In addition, views were sought from the following type of stakeholders considered to represent to the best reasonable extent the European HPC community: • National and EU-funded projects on HPC (Projects), • Scientific user communities of HPC infrastructures (the 29 large ESFRI research infrastructures and the PRACE scientific users, each reaching hundreds of actors, EUDAT, EGI, etc.) (Scientific Users), • Public-private partnerships on HPC and Big Data (PPPs), • Centres of excellence for supercomputing applications, supercomputing centres, service providers, access providers (Intermediaries), • HPC research & industry associations (Associations), • Member State & governmental institutions (MS). The goal was to reach all identified stakeholders and elicit their contributions on time with respect to the further process of the ***planned*** development of the EuroHPC Regulation. 1 COM(2016)178 2 SWD accompanying the ECI Communication: COM(2016)178 3 High-Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy, Report of a study carried out for the European Commission, IDC, 2015 4 EIB study 5 Available at [*http://www.prace-ri.eu*](http://www.prace-ri.eu)/ 6 Available at   [*https://science.energy.gov/user-facilities/user-statistics/data-archive/*](https://science.energy.gov/user-facilities/user-statistics/data-archive/) 7 Available at   [*https://www.top500.org*](https://www.top500.org)/ 8 Available at   [*https://www.statista.com*](https://www.statista.com) 5 An on-line targeted consultation was conducted through the DSM website of the European Commission between 3 August and 5 September 20179. This consultation represented only the last step in a wider series of workshops and meetings with a wide range of relevant stakeholders that started in 2016 in which the European HPC strategy was already presented and discussed according to its status at that time, as follows: Stakeholder engagement activity Scientific Users MS Projects PPPs Interme-diaries Associ-ations Workshop on the European micro-processor on 18 January 2017 in Brussels General assembly of ETP4HPC on 21 March 2017 in Munich Digital Day of 23 March 2017 in Rome in the presence of 250 HPC stakeholders Workshop on EuroHPC governance in Rome on 23 March 2017 with 50 participants PRACE days on 15-18 May 2017 in Barcelona, gathering the whole HPC community Six meetings with the Sherpas of the Member States European Open Science Cloud summit on 12 June 2017 in Brussels Multiple meetings with key stakeholders (PRACE, ETP4HPC, visits to supercomputing centres, international conferences…) The quality of the studies can be considered high as they represent the currently best available information on HPC in Europe and globally, originating mostly directly from the HPC practitioners (e.g official PRACE (EU) and ASCR (US) statistical figures). 9   [*https://ec.europa.eu/eusurvey/runner/Eurohpc*](https://ec.europa.eu/eusurvey/runner/Eurohpc) 6 Annex 3 Who is affected by the initiative and how? This annex describes the practical implications of a joint structure at European level. The analysis follows the structure by the group of stakeholders that are likely to be directly or indirectly affected by the initiative. MEMBER STATES Member States are expected to significantly benefit from the initiative. The EuroHPC initiative will enable Member States to coordinate together with the Commission their HPC investments and strategies. The end goal is to establish in the EU a world-class HPC and data infrastructure that Member States on their own cannot afford –in particular those with little or no significant HPC resources in place. No single country in Europe has the capacity to sustainably build and maintain such infrastructure and develop the necessary human and technological ecosystem. Pooling and rationalising efforts at EU level is a must. The initiative will allow the joint procurement of world-class HPC machines, providing all Member States access to supercomputers with a performance comparable to the best machines in the world. These machines, integrated in a pan-European infrastructure, will be available to the scientific and industrial researchers and the public sector independently of their location. The increased availability and accessibility of top HPC resources will motivate the users to keep their activities and data in Europe, helping to keep critical know-how and human potential in Member States. Member States will benefit from a world-class competitive infrastructure to provide improved public services and to support key policy making, e.g ***strategic*** decision-making for energy, smart cities, civil protection or climate change. HPC has also become indispensable for maintaining national sovereignty and in the context of national security applications. Supercomputers are in the first line of the increasingly critical areas of cyber-war and cyber-criminality, helping to prevent and fight today's sophisticated cyber-attacks and security breaches, insider threats and electronic fraud. Increased availability of HPC resources will thus have a positive impact on the security of Europe. UNIVERSITIES AND RESEARCH CENTRES Access to world-class HPC capabilities has become fundamental to conduct innovative and leading-edge science. Modern science relies heavily on shareable research data, open data analysis tools and connected supercomputing computing facilities. Europe's researchers have to be able to access HPC resources irrespective of their geographical location or scientific discipline. EuroHPC will provide our universities and research centres with a world-class infrastructure, ensuring a European-wide access to supercomputers and data with a guaranteed high level of resources, thanks to a legal infrastructure that ensures the sustainability and availability of resources in the short, medium and long terms. This factor is critical to ensure that our academic and scientific potential stays in Europe and is not exploited in other regions with more competitive HPC and data facilities. With the implementation of the European HPC strategy scientific cooperation in the EU will become easier, particularly multi-disciplinary cooperation based on big- data. A pan- 7 European leading infrastructure will consolidate the already existing vibrant mix of national, regional and pan-European initiatives in intra-EU collaboration, and will provide EU-based teams with powerful resources to strengthen the European participation in international HPC-supported scientific collaborations extending far beyond Europe – notably the Intergovernmental Panel on Climate Change (IPCC), the International Thermonuclear Experimental Reactor (ITER), and the Square Kilometre Array (SKA) project. INDUSTRY INCLUDING SMES In industry, HPC enables traditional computational-intensive sectors to significantly reduce R&D costs and development cycles, and to ***produce*** higher quality products and services, for example in manufacturing and engineering industries (e.g automotive, aerospace), health and pharma (e.g drug discovery), energy (e.g discovery of oil and gas resources, renewable energy generation and distribution). HPC also paves the way for new business and innovative applications in high added-value areas (e.g , in personalized medicine, bio-engineering, smart cities/autonomous transport, etc.), reinforcing the industrial innovation capabilities, in particular of SMEs. The new initiative will revitalise the European HPC ecosystem, where industry and in particular SMEs will benefit as both users and suppliers of HPC technology and applications. • As users; Europe is leader in many HPC-empowered applications. EuroHPC will consolidate this leadership position, providing an enhanced HPC infrastructure with more resources for industrial use accessible at EU level, complemented with specific measures to widen the usage of HPC technologies. This is of critical importance to industry and particularly SMEs without in-house capabilities that will benefit from easy to use HPC resources, applications and analytics tools to create new innovative products and processes. • As suppliers; a European-wide initiative with a focus on the supply of a European source of HPC technology such as EuroHPC will have the necessary critical mass and a catalytic effect on the European suppliers. EuroHPC will provide a clear roadmap for technological implementation of leading-edge technologies in Europe and their integration in European systems, providing a unique opportunity for industry, including SMEs, to participate in the co-design and development of such new technologies and systems, and to develop IPR and solutions to be further used in their business endeavours. The benefits of this IPR will not be limited to HPC, but will span to broader sectors such as e.g the ICT market within a few years of their introduction in high-end HPC – giving a competitive advantage to those developing them at an early stage. As an example, there is a dynamic European independent software vendors (ISV) supply chain in Europe that is still competitive world-wide. To remain competitive European-based ISVs and European software developers and owners have to participate in the design of next-generation HPC systems, understand the critical software requirements that these new hardware platforms engender, identify and define technical specifications for various elements of an emerging exascale software stack, glean best case situations for collaborative efforts among various ISVs and develop early on a sense of leading EU-based exascale architectural and algorithmic 8 development efforts. This close link between European hardware and software industries will strongly be fostered by EuroHPC. EUROPEAN COMMISSION The EuroHPC initiative would positively impact the workings of the European Commission. Currently, some the activities that EuroHPC will undertake are implemented through four different work-***programmes*** (e-infrastructures, FET, and LEIT in Horizon 2020, and through the Connecting Europe Facility annual Calls). This implementation of the HPC strategy is particularly complex (e.g discussion with four committees, synchronisation of budgets and activities with diverse budgetary and time constraints, etc.). The EuroHPC will provide a single structure to coordinate the different activities in synergy, and more importantly, will provide a single forum for ***strategic*** discussions with Member States and leverage EU and national efforts and resources. HPC is becoming critical for an increasing number of applications. EuroHPC will be a privileged interlocutor for institutions, agencies and bodies addressing critical scientific, industrial or social-impact areas. EuroHPC will become a focal point for better supporting the EU policy development and implementation in areas like digitising industry (Digital Single Market), security, and many other related to societal challenges. SUPERCOMPUTING CENTRES Several European supercomputing centres that host the most powerful supercomputing infrastructures in Europe (e.g the PRACE Tier-0 systems) enjoy a world-wide reputation. These centres not only operate HPC infrastructure but possess a very wide set of human capital and expertise –ranging from technological development, to academic excellence and research, and support to industry and SMEs). EuroHPC provides the opportunity to fully exploit this valuable asset in a synergetic way, encompassing the co-design and integration of technology with a coordinated procurement of supercomputers at European level. EuroHPC will provide the appropriate frame to strategically ***plan*** for the further development of these centres, for example with a necessary European-wide ***planning*** of the different architectures across Europe (avoiding isolated and uncoordinated procurements that may end up in dependencies on single vendors and technological suppliers). In addition, the EuroHPC initiative will support the federation of these top-leading centres with a wider range of national (Tier-1) and regional (Tier-2) centres, providing a real pan-European infrastructure capable of responding to the increasing demands of scientific, industrial, public sector users, and other stakeholders. CITIZENS A true European coordinated effort such as EuroHPC will make sure that world-class HPC resources and data are available for applications that are of direct interest for citizens. Citizens expect sustained improvements in their everyday life while at the same time society is confronted with an increasing number of complex challenges – at the local urban and rural level as well as at the planetary scale. Policy makers need tools to make better decisions HPC has become indispensable to transforming these challenges to innovation and creation of business opportunity, thanks to its ability to process large amounts of data and carry out complex computations. Responding to these challenges will create innovation and therefore the growth and jobs that the EU economy needs. 9 Given the inter-disciplinary nature of HPC and the wide range of scientific and industrial applications, citizens will benefit from an increased level of resources provided by EuroHPC in areas like: • Health, demographic change and wellbeing: the development of new therapies will heavily rely on HPC for understanding the nature of disease, discovering new drugs, and customising therapies to the specific needs of a patient • Secure, clean and efficient energy: HPC is a critical tool in developing fusion energy, in designing high performance photovoltaic materials or optimising turbines for electricity production. • Smart, green and integrated urban ***planning***: the control of large transport infrastructure in smart cities will require the real time analysis of huge amounts of data in order to provide multivariable decision/data analytics support in your mobile or car. • Climate: HPC underpins climate study and prediction (weather forecast, catastrophes prevention and civil protection ***planning***, etc.). • Food security, sustainable ***agriculture***, marine research and the bio-economy: HPC is used to optimise the production of food and analyse sustainability factors (e.g plagues and diseases control, etc.). 3RD COUNTRY ACTORS Successfully building a European HPC ecosystem will have an effect on the non-EU supply industry. The availability and large take-up of European technology in the next generations of European supercomputers would decrease their market share of HPC components and systems in Europe, potentially worldwide if the European machines prove to be more competitive. A knock-on effect on the micro-electronics mass market could also be expected, as the downsizing of the HPC components for applications like the autonomous and connected car or the internet of things, would foster the position of European suppliers in this market segment also. The increased protection of European IPR resulting from the R&I ***programmes*** supported by the EuroHPC, may deprive the non-EU suppliers of European know-how and competences in the design of supercomputers. Currently, non-EU suppliers take advantage of EU ***programmes*** to export the resulting IPR and improve their domestic developments. Provided access conditions on equal terms become a global practice, the European HPC resources could become attractive for scientists from outside the EU, sending their data for processing to Europe. The risk Europe currently faces with losing its data sovereignty may thus be reversed. 10 ANNEX 4 STAFF AND BUDGETARY ESTIMATES FOR THE EURO HPC JU OPTION A. STAFF A first estimation of the staff needed to run the EuroHPC Joint Undertaking is presented below: Temporary Agent Administrator Grade (TA AD) Contract Agent (CA) Seconded National Expert (SNE) 2019 2020 2021 2022 2023 2024 2025 2026 Directors' office Executive Director X 1 1 1 1 1 1 1 1 Executive Assistant X 1 1 1 1 1 1 1 1 Operations Head of ***programmes*** X 1 1 1 1 1 1 1 1 ***Programme*** Officer X 1 3 3 3 3 2 2 0 Assistant X 1 1 1 1 1 1 1 1 Accounting & Finance Head of A&F (accountant) X 1 1 1 1 1 1 1 1 Financial assistant X 1 2 3 3 3 2 1 0 Administration Legal Officer X X 1 2 2 2 1 1 1 1 Administrative assistant X 1 1 1 1 1 1 0 0 HR assistant X 1 1 1 1 1 1 1 1 Secretariat X 1 1 1 1 1 1 1 1 Total 11 15 16 16 15 13 11 8 TA AD 4 4 4 4 4 4 4 3 CA 7 10 11 11 11 9 7 5 SNE 0 1 1 1 0 0 0 0 11 B. BUDGET a) Commitment appropriations (M€) This table presents the EU commitment appropriations. It should be noted that the amounts under title 3 (operational budget) will be complemented by equivalent amounts from the EuroHPC Member States. The total volume of operations is therefore of 2x476M€ = 952M€. 2019 2020 2021 2022 2023 2024 2025 2026 Total Title 1 - Staff Expenditure 1.16 1.448 1.586 1.586 1.566 1.338 1.258 1.12 11.062 11 Salaries & allowances 1.04 1.318 1.456 1.456 1.456 1.248 1.178 1.04 10.192 - of which establishment ***plan*** posts 0.69 0.828 0.966 0.966 0.966 0.828 0.828 0.69 6.762 - of which external personnel 0.35 0.49 0.49 0.49 0.49 0.42 0.35 0.35 3.43 12 Expenditure relating to Staff recruitment 0.04 0.04 0.02 0.02 0 0 0 0 0.12 13 Mission expenses 0.06 0.07 0.08 0.08 0.08 0.07 0.06 0.06 0.56 14 Socio-medical infrastructure & training 0.02 0.02 0.03 0.03 0.03 0.02 0.02 0.02 0.19 Title 2 - Infrastructure and operating expenditure 1.185 1.235 1.345 1.355 1.405 1.395 1.345 0.935 10.2 20 Rental of buildings and associated costs 0.3 0.35 0.45 0.45 0.5 0.5 0.45 0.04 3.04 21 Information and communication technology 0.08 0.08 0.09 0.09 0.09 0.08 0.08 0.08 0.67 22 Movable property and associated costs 0.01 0.01 0.01 0.01 0.01 0.01 0.01 0.01 0.08 23 Current administrative expenditure 0.015 0.015 0.015 0.015 0.015 0.015 0.015 0.015 0.12 24 Postage / Telecommunications 0.01 0.01 0.01 0.01 0.01 0.01 0.01 0.01 0.08 26 R&D support (evaluations and reviews) 0.4 0.4 0.4 0.4 0.4 0.4 0.4 0.4 3.2 27 Innovation 0.01 0.01 0.01 0.01 0.01 0.01 0.01 0.01 0.08 28 Communication 0.3 0.3 0.3 0.3 0.3 0.3 0.3 0.3 2.4 29 Audits 0.06 0.06 0.06 0.07 0.07 0.07 0.07 0.07 0.53 12 2019 2020 2021 2022 2023 2024 2025 2026 Total Title 3 - Operational expenditure 196 280 0 0 0 0 0 0 476 R&D H2020 FET 68 100 168 H2020 RI 8 8 H2020 LEIT ICT 120 120 Procurement H2020 RI 80 80 CEF 100 100 TOTAL EXPENDITURE 198.345 282.683 2.931 2.941 2.971 2.733 2.603 2.055 497.262 b) Payment appropriations 2019 2020 2021 2022 2023 2024 2025 2026 Total Title 1 - Staff Expenditure 1.16 1.448 1.586 1.586 1.566 1.338 1.258 1.12 11.062 Title 2 - Infrastructure and operating expenditure 1.185 1.235 1.345 1.355 1.405 1.395 1.345 0.935 10.2 Title 3 - Operational expenditure 98 198.8 103.6 47.6 28 0 0 0 476 Total 100.345 201.483 106.531 50.541 30.971 2.733 2.603 2.055 497.262 C. REMARKS - The staff needs are based on the structure of existing JUs (ECSEL in particular) and on the necessary roles to ensure the operations of a JU. - The budget for the functioning of the EuroHPC Joint Undertaking is estimated by extrapolating the staff needs presented above and the budget of the existing JU ECSEL. It is however important to highlight that the ECSEL JU benefits from significant economies of scales under title 2 by sharing several infrastructures (building, IT,…) and services (security,…) with other JUs. In the case EuroHPC would be seated at a separate place, the budgets under title2 may need to be increased. For the payment appropriations, it is estimated that expenses under titles 1 and 2 are paid on the year of the commitment, whilst expenses under title 3 are paid for 50 on the year of commitment N, 30% on year N+1, and 10% on the years N+2 and N+3. 13 ANNEX 5 HPC AND ITS ***STRATEGIC*** VALUE FOR THE DIGITAL ECONOMY 1. ***STRATEGIC*** VALUE OF THE HPC High Performance Computing (HPC) is a branch of computing that deals with scientific and engineering problems that are computationally so demanding that computations cannot be performed using general-purpose computers. Today, these computations typically run on very powerful systems with highly parallelized computing units of tens or hundreds of thousands of processors. Those computers are often referred to as supercomputers. Supercomputers were introduced in the 1960s, roughly 15 years after the first general-purpose computers were built and operated in the UK and the USA. Since those early days, the development of hardware and software technologies supporting modelling for science and engineering, design and product development and decision-making have advanced to a level of sophistication and predictive power that early pioneers could only have dreamt of 50 years ago. For instance, the computing power of the world's top supercomputer 25 years ago can be found in an ordinary laptop today. The speed at which computing power increases is so fast that top-notch machines are obsolete after just 5-7 years on average. HPC is essential to address major scientific and societal challenges such as early detection and treatment of diseases (e.g understanding cancer generation and evolution), new therapies (based on personalised and precision medicine, genome sequencing, etc.), deciphering the human brain, forecasting climate evolution, observing the space, preventing and managing large-scale natural disasters, designing renewable energy parks, accelerating the design of new polymers, etc. Its use has a growing critical impact on industries and businesses by significantly reducing design and production cycles, minimising costs, increasing resource efficiency, as well as shortening and optimising decision processes. For example, HPC has enabled automakers to reduce the time for developing new vehicle platforms from an average of 60 to 24 months improving crashworthiness, environmental friendliness, and passenger comfort. HPC is also essential for national security and defence, for example in developing complex encryption technologies, in tracking and responding to cyberattacks and in deploying efficient forensics, or in nuclear simulations. At

a macroeconomic level, returns on investment in HPC are high. A recent study shows that in Europe every Euro invested in HPC has generated close to EUR 870 in revenues for businesses and EUR 69 in profits10 and that the companies and countries that most invest in HPC spearhead science and economic success. 10 Study conducted by IDC in 2015 (SMART number: 2014/0021) based on information from 143 European HPC projects 14 HPC is at the core of major advances and innovation in the digital age. It dramatically increases our ability to process large amounts of big data and carry out complex computations, which is critical for a large number of scientific, industrial and social domains. HPC is also a critical tool for understanding and responding to the increasing challenges faced by our citizens in modern societies, by transforming them into innovation opportunities. This makes of HPC the engine to power the new global digital economy, where to out-compute is to out-compete, and a key technology for science, industry, and society at large. The benefits in the different domains are illustrated below: In science, many of the recent breakthroughs simply would not be possible without HPC. The simulation of complex models and the HPC analysis of huge amounts of data has made possible that scientists can have today much deeper insights into previously unexplored areas and systems of the highest complexity, driving the innovation and discovery in almost all scientific disciplines: • In life sciences and medical research: HPC is enabling enormous advances in new therapies: scientists heavily rely on HPC for understanding the nature of diseases, for discovering new drugs, and for moving to precision medicine, customising therapies to the specific needs of a patient. In genome science, HPC is used for enabling faster and more effective analysis of genome sequences and genome assembly, and for simulating protein unfolding (critical for understanding major diseases such as cancer or Alzheimer). In biomolecular research, HPC is used for investigating the dynamics of biomolecules and proteins in human cells to understand how they contribute to cellular signalling mechanisms. In brain research such as in the Human Brain Project (HBP) FET Flagship11, HPC is used for multi-scale and high-resolution simulation and modelling of the human brain to understand its organisation and functioning. HPC is increasingly used in population scale data analysis for understanding cancer generation and metastasis evolution and for developing predictive oncology and cancer precision medicine, etc. 11 [*https://www.humanbrainproject.eu*](https://www.humanbrainproject.eu)/ 15 Throughout the application areas of the Human Brain Project (HBP) FET Flagship, HPC is key to conduct collaborative research. There are two major application directions requiring access to advanced HPC capabilities: simulation and big data analytics. Brain molecular simulations, cellular simulations (for example of the hippocampus), simulations of cortical columns and simulations operating at system level require the largest available highly parallel supercomputers in Europe, such as those located in the five Tier-0 supercomputing centres which are all members of HBP: Juelich (DE), BSC-Barcelona (ES), CEA (FR), Cineca (IT) and the Swiss National Supercomputing Centre (CH). Workflows for data analytics require mostly flexible parallel cluster computers where recently, the inclusion of deep learning techniques has contributed to increasing exponentially the request for application time of HBP users. Overall, HBP user groups of HPC require largest memory capacities, massive data storage and fast data access in the Peta-Bytes range including exchange of data on a European scale. HBP’s Joint Platform will meet these demands via new dense memory technologies as well as a federated data infrastructure in the form of a cloudified infrastructure-as-a-service (IaaS), federated across the five Tier-0 supercomputer centres. In 2010, the Centre for Pediatric Genomic Medicine at Children's Mercy Hospital, Kansas City, Missouri, was named one of Time magazine's top 10 medical breakthroughs. The centre uses HPC to help save the lives of critically ill children. Roughly 4,100 genetic diseases affect humans, one of the main causes of infant deaths. One infant suffering from liver failure was saved thanks to 25 hours of supercomputer time to analyse 120 billion nucleotide sequences and narrowed the cause of the illness down to two genetic variants. For 48% of the cases the centre works on, HPC-powered genetic diagnosis points the way toward a more effective treatment. Swiss pharmaceutical giant Novartis & Schrödinger, a global life sciences and materials science software company, greatly accelerated the testing of drug candidates by using HPC. They tested 21 million drug candidate molecules, using a new technical computing (HPC) algorithm Schrödinger developed. The successful run cost only about EUR 10,000. Schrödinger has completed even larger runs since this. • In earth sciences, HPC is used for ever higher resolution simulation in climate change (for example, studying the behaviour of the oceans), weather forecasting, earth resource evolution, but also for improving our knowledge of geophysical processes and of the structure of the interior of the Earth, for understanding earthquakes, etc. More accurate models are needed to predict much in advance the path and the effects of the increasingly devastating hurricanes such as Irma and Harvey. The weather model from the European Centre for Medium-Range Weather Forecasts (UK) proved substantially more accurate than U.S.A models in predicting the path of Hurricane Sandy that devastated America's East Coast in 2012. The MET Office, the UK’s National Weather Service, relies on more than 10 million weather observations from sites around the world, a sophisticated atmospheric model and a £30 million IBM supercomputer to generate 3,000 tailored forecasts every day. 16 ***Agriculture*** is the principal means of livelihood in many regions of the developing world, and the future of our world depends on a sustainable ***agriculture*** at planetary level. HPC is becoming critical in ***agricultural*** activity, plague control, pesticides design and pesticides effects. Climate data are used to understand the impacts on water and ***agriculture*** in Middle East and North Africa, help local authorities in the management of water and ***agricultural*** resources, and assist vulnerable communities in the region through improved drought management and response. • High Energy Physics (HEP) experiments are probably the main consumers of High Performance Computing (HPC) in the area of e-Science, considering numerical methods in real experiments and assisted analysis using complex simulation12. Starting with quarks discovery in the last century to Higgs Boson in 2012, all HEP experiments were modelled using numerical algorithms: numerical integration, interpolation, random number generation, eigenvalues computation, and so forth. Data collection from HEP experiments generates a huge volume, with a high velocity, variety, and variability and passes the common upper bounds to be considered Big Data. The numerical experiments using HPC for HEP represent a new challenge for Big Data Science. • Future Energy technologies: HPC can hold the key in the future of energy for humankind – fusion. Today’s nuclear power plants could soon be replaced by a safer, greener and virtually inexhaustible nuclear power on the horizon. Fusion power could be a global solution to future energy demand. With ITER slated to begin experimental tests around 2025, it is a critical time for the international teams of scientists and engineers who are ***planning*** how the reactor will perform at maximum efficiency To develop the best predictive tools for ITER (and, by extension, other experimental fusion reactors), research teams are using HPC to resolve the behaviours of fusion plasma across the many spatial scales that impact reactor efficiency and plasma stability. Right now, it is only through HPC that researchers can simulate plasma kinetics for large experiments like ITER with enough simulated electrons to resolve important physics Using the Mira supercomputer, physicists uncovered a new understanding about electron behaviour in edge plasma, and new insights were gained into the properties of a self-generating electrical current that boosts power in a tokamak fusion reactor. Based on these discoveries, improvements were made that could enhance predictions of and, ultimately, increase fusion power efficiency. • In materials science, HPC is used for example for molecular modelling and molecular dynamic simulation, for designing and studying the properties of new materials that can have an enormous impact in: renewable and clean energies (e.g photovoltaics, new generation batteries); health (simulating the effect of new chemicals at molecular level); for understanding and exploiting superconductivity; for naval and marine engineering with new generation of super-hydrophobic coatings for underwater applications; etc. Developments in the next generation of smartphones, fuel-efficient cars or powerful batteries for electric vehicles, as well as to catalysts for the production of methane or liquid fuels and high-performance solar cells, are practically always based on better, and 12 High Performance Numerical Computing for High Energy Physics: A New Challenge for Big Data Science,   [*https://www.hindawi.com/journals/ahep/2014/507690/*](https://www.hindawi.com/journals/ahep/2014/507690/) 17 often completely new materials. Several hundreds of thousands of different materials are known today, but that is only a fraction of all possible compounds. This can be changed by combining HPC with data mining technologies, enabling the prediction of unknown chemical compounds with desired properties or discover new properties of known substances. As an application case, candidate materials that can be easily exfoliated (like graphene) were reduced from 0.5 million to 1000 most promising through computational methods. • In other scientific domains: HPC modelling and simulation techniques and data analytics approaches are the key for understanding phenomena and finding innovative solutions in many other scientific domains for high-impact science: for example in cosmology and astrophysics, scientists are using HPC for simulating violent events following the Big Bang that may have ***produced*** gravitational waves, for detecting supernovae and binary star systems, or for estimating the neutrino mass and understanding dark matter and energy. Other scientific areas with important HPC use include renewable energy, global systems science, urban development, etc. In national security and cybersecurity: Mastering of HPC technologies and access to world-class HPC has become a national ***strategic*** priority for the most powerful nations. Supercomputers are in the first line for nuclear simulation and modelling, and for cyber-war, cyber-criminality and cyber-security. HPC is also increasingly used in the fight against terrorism and crime, for example for face recognition or for suspicious behaviour in cluttered public spaces. Encryption of communications is necessary to safeguard business and personal online transactions, but there are some specific circumstances where it is desirable that authorities get access to encrypted communications. HPC can also help increasing the security of encryption, by learning how to build better, more efficient algorithms that require smaller keys. In cybersecurity, HPC in combination with Artificial Intelligence and Machine Learning techniques is used to detect strange systems behaviour, insider threats and electronic fraud; very early cyber-attack patterns (in a matter of few hours, instead of a few days); or potential misuse of systems and take automated and immediate actions in order to act before hostile events occur. A recent report from the USA13 states '… national security requires the best computing available, and loss of leadership in HPC will severely compromise our national security …'. The cyber-breach in June 2015 on USA Office of Personnel Management (affecting the data of four million federal employees) supports claims from senior military and intelligence officials that the U.S.A is under more or less constant cyber assault. Several federal network intrusions and data breaches have been detected at the Inland Revenue Service, the Department of State and the White House. The scale of concern over the attacks suggests that they are 'far more serious…to national security' than 9/11 (Carolyn Maloney (D-NY)). In industry, HPC enables traditional computational-intensive sectors to significantly reduce R&D costs and development cycles, and to ***produce*** higher quality products and services, for example in manufacturing and engineering industries (e.g automotive, aerospace), health and pharma (e.g drug discovery), energy (e.g discovery of oil and gas 13 U.S Leadership in HPC: A report from the NSA-DoE technical meeting on HPC, December 2016 18 resources, renewable energy generation and distribution). HPC also paves the way for new business and innovative applications in high added-value areas (e.g , in personalized medicine, bio-engineering, smart cities/autonomous transport, etc.), reinforcing the industrial innovation capabilities, in particular of SMEs. • HPC has enabled automakers to reduce the time for developing new vehicle platforms from an average of 60 to 24 months, saving 40 billion EUR while improving crashworthiness, environmental friendliness, and passenger comfort; • Airbus currently uses HPC to perform complex simulations across the various components and entire passenger and cargo jets. The design of the Airbus A380 has exploited HPC to carry twice as many passengers for the same noise level, using less than 3 litres of fuel per person per 100 km and less than 75g of CO2 per person per km. A single large passenger jet has well over two million individual parts that need to be simulated individually or as part of a larger system. Further, those millions of parts must stand up to varied pressure and strain over the course of the typical jet’s lifetime, which is between thirty to fifty years. This complexity, coupled with the need for operational reliability of over 99%, puts computational demands that reach the exascale level and beyond. • Renault used 42 million core hours on the PRACE Tier-0 CURIE machine for performing the biggest multi-physics car optimization study ever made, consisting on hundreds crash simulations on meshes of 20 million finites elements applied to more than 120 different parameter to study. This first study provided to Renault unprecedented results in mass reduction, CO2 limitation, safety improvement, and will be determinant for fulfilling future EuroNCAP6 safety rules • Intelligent analysis of real-time data ***produced*** by airplanes can predict faults before they happen (predictive maintenance). Spirit AeroSystems Inc. – one of the largest manufacturers of aero structures – achieved 25% shorter production flow times, 30% lower assembly inventory levels; and 40% lower overtime expenses as well as $2 million in savings on inventory by using high-performance data analytics • Total recently tripled the power of its supercomputer to develop more complete visualizations of seismic landscapes and run simulations at 10 times the resolution of existing oil and gas reservoir models. This new capability will enable more efficient upstream oil and gas exploration, as well as the discovery of reserves under more challenging geological conditions. • HPC-enabled applications are becoming part of ***agriculture*** using e.g radio-frequency identification tags (RFIDs) which can hold and automatically download a mass of data on the bale’s moisture content, weight and GPS position. In the future, micro-tags of the size of soil particles will be deployed extensively to measure things as moisture, disease burden and even whether the crop is ready to harvest or not. HPC is a key factor for the digitisation of industry and its innovation and competitiveness, contributing decisively to the objectives of the Digital Single Market Strategy. Considerable progress has happened in the last few years. Several MS continued or set up new HPC competence centres that facilitate access of industry and specifically SMEs to HPC services, with supercomputing centres giving support and transfer expertise to them. Some of these centres are world leaders in collaboration with industry. These models of industrial collaborations in MS include HLRS (Stuttgart), Teratec (Paris), SURFsara (Amsterdam), CINECA (Bologna), LRZ (Munich), Hartree Centre (Daresbury), to name a 19 few. Europe, like the rest of the world, also has many HPC centres that have recently added industrial outreach ***programmes*** to work with industry. Centres with strong industrial experience are well positioned to mentor less-experienced centres, and to assume leadership roles in any future HPC competence centres. At European level, there are several successful examples of ***programmes*** supporting industrial access and collaboration, such as PRACE Industry Access14, PRACE SHAPE15, or Fortissimo.16 • The PRACE Industry Access allows European companies access to world-class HPC resources and services. PRACE opened R&D access to industrial users since January 2012 and has supported more than 50 companies with more than 318 million CPU hours, (309 million on Tier-0 supercomputers), including nearly 1.8 million CPU hours for SMEs in the SHAPE ***programme***. • SHAPE (SME HPC Adoption ***Programme*** in Europe) is a pan-European PRACE-based ***programme*** supporting HPC adoption by SMEs. SHAPE aims to raise awareness and equip European SMEs with the expertise necessary to take advantage of the innovation possibilities opened up by HPC, increasing thus their competitiveness.21 SMEs have participated in the SHAPE pilot for SME access; PRACE reports 10 success stories of SMEs from 6 different countries benefiting from PRACE HPC and know-how in the PRACE centres • Fortissimo enables European manufacturing SMEs to benefit from the increased efficiency and competitive advantage inherent in the use of simulation. SMEs don't have the pool of skills and resources to access advanced simulation (e.g expensive HPC equipment, licensing cost of tools, etc). Fortissimo provides simulation services running on a cloud infrastructure exploiting HPC systems and making appropriate skills and tools available in a distributed, internet-based cloud environment. Around 215 partners (120 SMEs) benefit from 123 Fortissimo experiments. 2. THE IMPACT OF HPC ON THE DATA ECONOMY – SOME EXAMPLES Governments around the world are increasingly concluding that HPC is too ***strategic*** to be outsourced to foreign suppliers and that the development of an indigenous HPC supply chain needs to be fostered. For instance, the case of the U.S government blocking Intel from exporting its processors to upgrade some of China's most powerful supercomputers accelerated China's initiatives to develop indigenous processors. Europe is leader in the use of HPC-powered applications: the users of HPC systems and applications in Europe include the most profitable and vibrant industrial sectors, e.g manufacturing, oil & gas, health and pharmaceutical industry, aerospace and defence, chemical industry, etc. HPC is used in the following industry sectors that contribute significantly to jobs and economic output in Europe: 14   [*http://www.prace-ri.eu/industry-access*](http://www.prace-ri.eu/industry-access) 15   [*http://www.prace-ri.eu/hpc-access/shape-****programme****/*](http://www.prace-ri.eu/hpc-access/shape-programme/) 16   [*http://i4ms.eu/projects/projects\_detail.php?post\_id=6*](http://i4ms.eu/projects/projects_detail.php?post_id=6) 20 Industry sector Jobs supported EU GDP Manufacturing 25 million 13% Health & pharma 17 million 10% Automotive 12 million 4% Oil & gas 0.17 million 2.8% Aviation 5 million 2.1% Chemical 1.15 million 1.1% HPC has become already an integral component of business processes.24 The three largest and most dynamically growing HPC sub-sectors are computer-aided engineering, bio-sciences as well as the energy sector24: • Computer-aided engineering has a projected growth rate of HPC expenditure of 7.9% /year between 2013 and 2018. Bio-Sciences, including pharma and healthcare, have a projected growth rate of HPC expenditure of 5.1%. This trend is driven by the vision to provide individual patient treatment; consequently, a high computing demand is created to analyse each patient individually and find tailor-made solutions. • The energy sector has a projected growth rate of HPC expenditure of ~5%: design and construction of intermittent renewable energy generation systems, testing of new and more efficient forms of materials for solar panels, optimisation of distributed generation, load management, etc. Insurance and civil protection is demanding more HPC simulations as demonstrated recently by the Harvey and Irma hurricanes. Severe weather forecasting on national and regional scales depends heavily on HPC, and Europe leads the world in numerical weather forecasting. From 1970 through 2012, severe weather cost 149,959 lives and €270 billion in economic damages in Europe. HPC simulation is an important alternative for animal testing. The social and economic costs of experimental ('live') science and engineering research on animals have skyrocketed in the past decade. The EU REACH Regulation issued in 2006, the 7th Amendment of 2003 of the European Cosmetics Directive and the new European Regulation on cosmetic products issued in 2009 created an unprecedented need for alternatives to animal testing in Europe. On March 2013 a full ban on the marketing of cosmetics products tested on animals entered into force in the EU. This heavily triggered the development of alternative testing methods to reduce to a minimum the need for animal testing and, in the case of cosmetics, to fully substitute them. HPC is increasingly attractive here from both a social and financial viewpoint. The use of HPC is expanding to all industries as it becomes more accessible with today's and future broadband networks. HPC is becoming a mainstream technology that Europe must master. European HPC investments are already ***producing*** excellent returns-on-investment (ROI) for science and industry. A 2015 study for the EC assessed the impact of recent HPC investments in scientific and industrial projects carried out within Europe.17 Detailed ROI information was 21 captured on 143 European HPC projects, of which 84 ***produced*** innovations and 59 ***produced*** quantifiable financial returns. In most cases, the investments consisted mainly of HPC systems and software acquired for the project, but payments for time on installed HPC systems also contributed to investments in some cases. The results are: • 97% of the industrial companies using HPC consider it indispensable for their ability to innovate, compete and survive. • Industrial sectors that leverage HPC could add up to 2-3% to Europe's GDP in 2020 by improving their products and services; • Each euro invested in HPC on average returned €867 in increased revenue/income. • Industrial projects averaged €75 in bottom-line profits or costs savings per €1 of HPC investment, and academic projects averaged €30 in cost savings per €1 invested. • The total increased revenue for the 59 HPC-enabled, quantifiable projects was €133.1 billion, or about €230 million per project on average. Average increased profits/cost savings for the projects amounted to €69 billion. With almost 50% of the global HPC systems share owned by industry in 2017, the industrial sector has clearly shown over the last 23 years a growing interest in HPC. In contrast to this global picture, the majority of EU HPC capacity is currently installed at universities or academic research centres whereas the remaining minority is installed on a commercial basis in the context of commercial offerings or with HPC end users.24 Europe represents a favourable ground for a joint cooperation between academia and industry where the initiative would be of mutual benefit: on the one hand such cooperation would capitalize on the already existing infrastructures under a single European HPC structure, and on the other hand it would foster academic-industrial collaborations through knowledge and technology transfer to society. Among all HPC actors, intermediaries17 fulfil an important role as technology facilitators bringing together HPC centres (infrastructure owners), independent software vendors (ISV) and HPC customers for joint projects. This role is particularly important to help first-time users, primarily SMEs, to become acquainted with the potential of HPC for their business. With over 30000 potential beneficiaries SME type industrial companies provide a significant potential for the uptake of HPC in Europe. Large corporations which apply HPC to reduce research and development costs by simulating prototypes instead of physically building and testing them will also benefit from an EU-wide collaborative effort. Regarding the supply of HPC technology, there is a potential for the European Union to build on its base of existing and ***planned*** European-wide HPC development ***programmes*** and to assemble exascale HPC capability that could, in some critical application sectors achieve world-class, if not global leadership. 17 HPC intermediaries provide the link between HPC centres as infrastructure providers and HPC customers. They mobilise and support SMEs to use the existing infrastructure or software development offering within their geographic vicinity, in their related sector or with those who share the same target group. Hence, their business model is to act as a facilitator for HPC customers seeking a service. Some are merely match-makers while others manage the co-development process with the customers, HPC centres and ISVs. Some intermediaries are grouped in independent Centres of Excellence, some are directly attached to an HPC centre. 22 In addition, there is a huge potential economic effect in the mass computing market from the investments in HPC technologies: the development of exascale technologies is not for the sake of having the fastest supercomputer in the world. The goal is to build 'first of a kind' systems rather than 'one of a kind'. The transition to exascale computing is an opportunity for the European supply industry to leverage on technologies in the computing continuum from smart phones, to embedded systems (for example in the future driverless cars), and to servers, feeding the broader ICT market within a few years of their introduction in high-end HPC – giving a competitive advantage to those developing them at an early stage. The size of these target markets is of the order of EUR 1 trillion. 3. PUBLIC INVESTMENTS IN HPC IN EUROPE AND WORLDWIDE Worldwide, the USA, China and Japan (and to a lesser degree the Russian Federation and India) have declared HPC to be a ***strategic*** priority for their country.. They fund ***programmes*** to develop national HPC ecosystems and work on the deployment of exascale supercomputers. The current growth of European investment in HPC will not be enough to attain and maintain leadership, meaning at minimum parity with best-in-class HPC resources in the USA, Japan, or China, and fulfil the ambitious political goals of two pre-exascale systems around 2019-2020 and two exascale systems around 2022.18 • U.S.A government spending on HPC exceeded EUR 1.5 billion in fiscal year 2015 and more than EUR 1.7 billion in fiscal year 2016. (These figures do not count HPC spending by the U.S.A intelligence community). • Japan has set aside a EUR 1.2 billion undertaking for one near-exascale computer in 2022. • China has fielded the two most powerful supercomputers and has extensive ***plans*** for the pre-exascale and the exascale systems (budget figures not available). • In 201519, the estimations of public and private investments for Europe to achieve leadership by 2020 were of additional EUR 3.2 billion in 5 years (2016 to 2020) or EUR 5.3 billion in 7 years (2016 to 2022) in order to match the developments of Europe's main competitors for HPC leadership in competitive time frames. These amounts entail a funding gap with respect to current investments in the order of additional EUR 700 million per year. Regarding HPC infrastructures, Europe achieved a healthy HPC funding growth up until the period 2010-2012. The result was an increase of Europe's overall HPC capabilities by means of the purchase by MS of (then) most powerful supercomputers. 20 The predominant 18 European Commission, Staff Working Document on the Implementation of the Action ***Plan*** for the European High-Performance Computing Strategy, SWD(2016) 106 final, 19 April 2016 19 Study SMART 2014/0021 for the EC 'High-Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy'; IDC 2015. 20 Study SMART 2014/0021 for the EC 'High-Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy'; IDC 2015. 23 funding model in the MS is one in which the central government finances 50% or more of the national supercomputing centre's entire budget, including the acquisition and upgrading of Tier-121 national supercomputing resources as well as operating costs. Given the important role supercomputing plays, central governments typically view this funding as a necessary investment in the economic future of their country (see Annex 6)22 for a brief review of the organization type, funding sources and budgets of some of the most prominent national supercomputing centres in Europe, as well as national centres in some smaller countries. Additionally, several MS are collaborating at European level through the PRACE agreement established in 2010.23 PRACE establishes a pan-European computing and data management resource and services through a peer review process for large-scale scientific and engineering applications at the highest performance level, accessible to all researchers in Europe independently of their location. The PRACE top computer systems (Tier-0) were provided by four PRACE hosting members (BSC representing Spain, CINECA Italy, GCS Germany, GENCI France) who committed a total funding of EUR 400 million of computing time for the initial PRACE systems and operations until 2015. This agreement has been renewed recently until 2020 with the incorporation of a fifth hosting member (CSCS Switzerland). The PRACE ***programme*** is supported by the EU. PRACE also has specific ***programmes*** to strengthen the European users of HPC in industry through various initiatives (i.e SHAPE for European SMEs). Finally, Europe (both MS and the EC) are also investing in GÉANT24, the pan-European data network for the research and education community linking national research and education networks as well as supercomputing centres across Europe. Regarding the R&I actions to support the implementation of the HPC strategy, the EC has signed a cooperation agreement with two contractual private partnerships (cPPP): ETP4HPC and BDVA. The ETP4HPC contractual Public Private Partnership25 (HPC cPPP)26 is based on the Contractual Arrangement signed on 17 December 2013 between the EC and the ETP4HPC Association.27 The HPC cPPP formally started on 01 January 2014. The HPC cPPP focuses on the development of exascale technologies and the development of the applications. The HPC cPPP is complementary to PRACE, the former covering the R&I and the latter the pan-European HPC infrastructure. The two together reach all aspects of the HPC value chain. ETP4HPC is an industry-led think tank and advisory group made up of companies and research centres involved in HPC technology research in Europe. It was formed in 2011 with the aim to build a world-class HPC technology supply chain in Europe, increase the global share of European HPC and HPC technology vendors as well as maximising the benefits that 21 Tier-1 systems are top supercomputers in which the access is managed by national authorities 22 Extracted from the IDC study 23 PRACE (   [*http://www.prace-ri.eu/*](http://www.prace-ri.eu/)) offers a pan-European supercomputing infrastructure, providing access to computing and data management resources and services for large-scale scientific and engineering applications at the highest performance level. It is an association of 24 member countries. 24   [*https://www.geant.org*](https://www.geant.org) 25 Contractual partnerships with industry in research and innovation,   [*http://europa.eu/rapid/press-release\_MEMO-13-1159\_en.htm*](http://europa.eu/rapid/press-release_MEMO-13-1159_en.htm) 26 High Performance Computing cPPP: Mastering the next generation of computing technologies for innovative products and scientific discovery,   [*http://ec.europa.eu/research/press/2013/pdf/ppp/hpc\_factsheet.pdf*](http://ec.europa.eu/research/press/2013/pdf/ppp/hpc_factsheet.pdf) 27   [*http://www.etp4hpc.eu*](http://www.etp4hpc.eu)/ 24 HPC technology brings to the European HPC user community. Today, ETP4HPC has more than 80 members from industry and research; 35% of the total number of members is SMEs. The Big Data Value Association (BDVA)28 is an industry-led contractual counterpart to the EC for the implementation of the Big Data Value PPP cPPP. As of December 2015, the BDVA has over 120 members including large and SME industry together with research institutions and academia. The Big Data Value PPP is a partnership between the EC and the BDVA which aims to strengthen the data value chain, cooperate in data research and innovation, enhance community building around data and set the grounds for a thriving data-driven economy in Europe. The BDV cPPP is driven by the conviction that research and innovation, focusing on a combination of business and usage needs, is the best long-term strategy to deliver value from Big Data and create jobs and prosperity. Activities funded by the EU ***programmes***: currently, the main instrument at EU level to implement the HPC strategy is Horizon 2020 (H2020). The activities covered span from fundamental research to development, integration and prototyping, addressing components to full scale systems, acquisition and deployment of equipment and infrastructure, as well as support services to the user community. As the activities mentioned above are different in scope they are funded by different H2020 ***Programmes***: FET, LEIT and e-Infrastructure. The H2020 work-***programmes*** (WP) 2018-2020 support the implementation of the HPC strategy along 3 main axes: 1. Developing the next generation of key HPC technologies and systems towards exascale: The LEIT-ICT WP supports a Framework Partnership Agreement (FPA) action for the development of European low-power microprocessors and related technologies, and Extreme Scale Demonstrators to integrate with a co-design approach the technology building blocks developed in the FET and LEIT ICT R&I actions for operational environments. The FET WP complements the microprocessor FPA to address the whole technology spectrum from software, algorithms, ***programming*** models and tools, to novel system architectures. 2. Acquiring and providing access to world-class supercomputing facilities and services for academia and industry: The e-Infrastructure WP supports PRACE (ensuring access to the best European HPC infrastructures for European researchers), GÉANT for high speed and highly resilient pan-European communication and the acquisition of innovative HPC solutions through a Public Procurement for Innovation action. 3. Achieving excellence in HPC applications, and preparing and widening HPC use: The e-infrastructure WP supports HPC Centres of Excellence (CoEs), developing, preparing and optimising the HPC codes and applications for future exascale systems, complemented with actions for increasing the innovation potential of SMEs using advanced HPC services and focusing on the areas addressed by CoEs. The LEIT-ICT WP supports the development of large-scale HPC-enabled industrial pilot test-beds for big data applications and services, providing secure access and provisioning of highly demanding data use cases for companies and especially SMEs. This is complemented by actions supported through CEF, addressing the use of supercomputers to process open data for public services. 28   [*http://www.bdva.eu*](http://www.bdva.eu)/ 25 Currently, around 110 M€ are allocated in CEF and another 770 M€ is foreseen in the H2020 WP 2018-2020 for technology and infrastructure support, as follows: • ~460 M€ for technology and application development through H2020 calls (LEIT ICT and FET) and ~230 M€ from H2020 e-Infrastructures for supporting European HPC Centres of Excellence, PRACE, GÉANT, and actions for supporting the innovation potential of engineering SMEs as users of advanced HPC services. • Another financial envelope of ~80 M€ is to be allocated to the acquisition through joint procurement with the Member States of two pre-exascale computing machines and their data infrastructures. The main source of funds is H2020 (e-Infrastructure part) and CEF. The following is a simplified comparative summary of investments in HPC29. Note that HPC investments in public ***programmes*** in different countries are not implemented in the same way, i.e the EU is through multi-annual ***programmes*** whereas the US ***programmes***' budgets are discussed and approved annually, therefore comparison is difficult. Annual investments in HPC ***programmes*** U.S.A30 China Japan EU31 R&D (public and private) 1-2 b$/year (2016) Over 1 b€ per year (2016) 0.24 b€ (1.2 b€ in 5 years)32 (EC ~0.3 b€ + MS 0.21 b€) per year (2014-2020) Acquisition for pre-exascale and exascale systems 525 m$ for 2017-2018 (CORAL) and ~0.5-1 b$ for 202133 1-1.5 b$ for 2017-2019 and 0.5-1 b$ for 202034 29 Source: Hyperion 'Major Trends in the Worldwide HPC Market', April 2017 30 These figures do not include the HPC spending of the USA intelligence agencies (NSA, FBI, CIA). 31 Total R&D investments in EU ***programmes*** for the period 2014-2020 are in the order of 1 b€, with matching funds from private stakeholders. The Member States figures are an estimation in the high range for HPC in general; no specific budgets have been committed to pre-exascale or exascale systems yet 32 Japan gives a single figure of ~1.2 b€ for R&D and the procurement of 1 exascale system plus a few smaller systems until 2021 33 This only includes the Department of Energy (DoE) procurement CORAL. Budget for exascale machines has not been released 34 Includes the estimations of pre-exascale and exascale systems as ***planned*** 26 In Annex 6, a detailed account is provided of the different major HPC initiatives in the USA, China and Japan as well as in the main European countries. The Figure below provides an illustration of comparison of some of the biggest public ***programmes*** worldwide in HPC35. For the US, the NSCI is just one of the multiple federal ***programmes***, and provides only a low estimation of public investments in HPC (see box in the beginning of section 3 above). Note also that public HPC ***programmes*** in different countries are not implemented in the same way, i.e the EU is through multi-annual ***programmes*** whereas the NSCI US ***programme***'s budget is discussed and approved annually. To illustrate the underinvestment of European ***programmes*** with respect to the U.S.A , the NSCI (one of the several federal initiatives supporting HPC) invests ~285 m€ per year, whereas the Horizon 2020 ***programme*** would average only ~130 m€ per year (893 m€ across 7 years). Figure: Comparison of the several worldwide national ***programmes*** in HPC 35 EIB study 2017 27 ANNEX 6 BRIEF REVIEW OF THE FUNDING SOURCES AND BUDGETS OF HPC INITIATIVES WORLDWIDE AND IN EUROPE USA The USA is the world leader in HPC systems and technologies (both use and supply). It has established a National ***Strategic*** Computing Initiative (NSCI) and the Exascale Computing Project (ECP)36, a multi-agency ***strategic*** vision and Federal investment strategy to maximize the benefits of HPC for economic competitiveness and scientific discovery, and the delivery of the first exascale systems for the US. Several exascale systems will be installed from 2023 onwards by different Federal agencies, mainly in DoE research labs (but also for homeland security agencies like NSA, defence, etc. but no corresponding information has been disclosed). The investments in R&D for HPC towards exascale amount to $1 to $2 billion per year (mostly public but this figure includes supplier's investments).37 For pre-exascale systems, the DoE is deploying several pre-exascale systems with CORAL, a single $525 million procurement process to acquire three next-generation supercomputers operational in 2017, each capable of performing 0.1 to 0.25 Exaflops. The US government has long-standing models for R&D collaborations with indigenous HPC vendors, many of which include supercomputer procurements with strong R&D requirements, typically for the national laboratories of the US Department of Energy (DoE). The Exascale Computing Project is a collaborative effort of two DoE organizations – the Office of Science and the National Nuclear Security Administration. It is a 7-years project that follows the co-design approach and runs through 2023 involving all major US HPC vendors: Intel, Cray, HPE, IBM, NVIDIA, and AMD. US HPC system vendors have the lion share of today's EU market. Four out of the seven PRACE Tier-038 systems installed in Europe are from US vendors. CHINA China is ramping up HPC spending faster than any other nation or region and already hosts the two most powerful machines that together account for 87% of the top 500 aggregate performance in the EU. However, utilization of Chinese supercomputers is typically much lower than in Europe, the USA or Japan. The first Chinese prototype with peak exaflop performance (although not in normal operation) is expected already by the end of 2020. Several exascale systems will be installed from 2023 onwards. The investments in R&D for HPC towards exascale will be over $1 billion per year (mostly public).39 Three pre-exascale computers (already in development) are ***planned*** for deployment by the end of 2017 and during 2018, in a competition exercise to select the best architecture for the future machines. China has developed indigenous technology that will come in the next few years into the mass ICT market and also has a strong HPC vendor base: Lenovo, Inspur, Huawei, and Sugon. 36   [*https://exascaleproject.org*](https://exascaleproject.org)/ 37 Source: Hyperion 'Major Trends in the Worldwide HPC Market', April 2017 38 Tier-0 systems are world-class supercomputers accessible at EU level through the PRACE pan-European HPC infrastructure 39 Source: Hyperion 'Major Trends in the Worldwide HPC Market', April 2017 28 Lenovo is taking assertive steps in the European market; after its 2014 acquisition of the IBM x86 server business it became one of the world's top 4 HPC server system vendors. For instance, Lenovo built two of the PRACE Tier-0 systems and is establishing a global HPC innovation centre in Stuttgart. China ***plans*** to deploy the first exascale level supercomputer in 2020. JAPAN Japan had twice in the past the world's most powerful supercomputer, most recently in 2011. The Ministry of Education, Culture, Sports, Science and Technology supports two exascale projects: • First, the FLAGSHIP 2020 Project initiated in 2014. RIKEN, the largest comprehensive research institution in Japan, is the main organization for leading the development of next generation flagship supercomputers. A wide range of applications will address both science and industry. The deployment of the first exascale machine will be in 2022 with a cost of EUR 1.2 billion (this includes the R&D and the acquisition of the machine).40 • Second, the emerging supercomputer vendor ExaScaler Inc. and Keio University will develop another supercomputing design with exascale aspirations. Fujitsu and NEC had considerable success in the past selling into EU markets, but they largely retreated when x86-based HPC systems began displacing their technology. Japan has three major HPC vendors, Fujitsu, NEC and Softbank's ARM, which was a leading European vendor until mid-2016. GERMANY • National Supercomputing Centre: Germany's Gauss Centre for Supercomputing (GCS) is an alliance of the country's three national HPC centres: HLRS (Stuttgart), LRZ (Munich) and FZJ (Jülich). • Funding Sources and Management: GCS is jointly funded and managed by the German Ministry of Education and Science (Bundesministerium für Bildung und Forschung, BMBF) and the corresponding ministries of the three national states of Bavaria, Baden- Wuerttemberg and North Rhine-Westphalia. The states provide half of the funding for their respective centres and the German federal government provides the other half. Furthermore the federal government has started a Special ***Programme*** on Exascale Computing (SPPEXA   [*www.sppexa.de*](http://www.sppexa.de)) for the development of software. This complements a special ***program*** by the Federal Ministry of Science which has since 2010 started three calls for projects on scalable software with a special focus on industrial applications (details at   [*https://www.gauss-allianz.de/en/projects*](https://www.gauss-allianz.de/en/projects)). • Budget: For the period 2007-2017, the federal government and the three state governments together have provided €400 million in funding for GCS. GCS also represents Germany in the PRACE alliance and has benefited from EC financing for PRACE. • Other: The BMBF is separately investing €100 million over the next five years for the D- Grid infrastructure to support scientific collaboration. Germany was one of four European nations that committed to contribute €100 million in resources to the PRACE 1.0 budget. GCS represents Germany in the PRACE alliance and provides three of the current seven Tier-0 systems of PRACE. 40 Source: Hyperion 'Major Trends in the Worldwide HPC Market', April 2017 29 FRANCE • National Supercomputing Centre: France has two sites that function as national supercomputing centres: CEA, a secure site that addresses national nuclear security needs, and CINES, The National Computer Centre of Higher Education. Another important actor is Agence Nationale de la Recherche (ANR). In the end, however, GENCI (Grand Equipement National de Calcul Intensif) has the central role in HPC in France. ***Plan*** Investissement d’avenir is investing €50 million for HPC and is managed by CEA. Also noteworthy is Teratec, an association which unites over eighty technological and industrial companies, laboratories and research centres, universities and engineering schools who want to combine their resources in simulation and high performance computing. • Funding Sources and Management: GENCI is a civil company (société civile) and is 49% owned by the State, represented by the Ministère en charge de l’Enseignement supérieur et de la recherche, 20% by the CEA, 20% by CNRS, 10% by participating universities, and 1% by INRIA. GENCI is invested with a central coordinating function by these organizations. • Budget: ANR provides €25 million in HPC financing per year. • Other: France was one of four European nations that committed to contribute €100 million in resources to the PRACE 1.0 budget. The Curie supercomputer, owned by GENCI and operated by CEA, is the first French Tier-0 system open to scientists through the French participation in the PRACE research infrastructure. Launched in October 2011 for a three year period, with a budget of €14.5 million euros, the purpose of the Mont-Blanc project, coordinated by BSC (Spain) and including GENCI together with the CEA, is to evaluate the potential of low energy components, such as the technologies used in our mobile phones, for the next generation of supercomputers. UNITED KINGDOM • National Supercomputing Centre: The UK has no permanent national supercomputing centre. Instead, major centres compete periodically for the contract for provide the HPC national academic service across the UK. At present, the Edinburgh Parallel Computing Centre has that role. Also of note, the Science and Technology Facilities Council's Daresbury campus manages the Hartree Centre, which has a major role in supporting the HPC needs of industry (as well as academia) in the UK. • Funding Sources and Management: The UK Research Councils coordinate HPC academic research activities. • Budget: The Engineering and Physical Science Research Council manages the budget for national capability, described as 'support for excellent, long-term disciplinary and multidisciplinary research in engineering and the physical sciences.' The allocation for this HPC- related budget item has been substantial and covers not just investments in supercomputers but also grants for research performed using supercomputers. The largest HPC-specific initiative within this budget is ARCHER, the UK's national academic supercomputing service. The UK government allocated £113 million (€157 million) for this ***program*** in 2014. The Hartree Centre was founded in 2012 with €52 million in funding from the UK's Science and Technology Facilities Council (STFC) to 'develop, deploy and demonstrate HPC solutions,' typically in partnership with industry. • Other: The UK is a PRACE member but has not been a contributing/hosting member within the PRACE 1.0 period. 30 NETHERLANDS • National Supercomputing Centre: SURFsara is the national supercomputing and e-science support centre in the Netherlands. SURFsara’s customers include all Dutch universities, a number of large research, educational and government institutions, and the business community. SURFsara has been a partner in large European e-Infrastructure projects including PRACE 1IP, PRACE 2IP, PRACE 3IP, EESI2, EGI.InSPIRE and EUDAT, and partner in HPC- EUROPA2. The 1.6PF Cartesius supercomputer managed by SURFsara is the country's most powerful. • Funding Sources and Management: Cartesius was funded by SURF, with contributions from the Dutch Organization for Scientific Research (NWO), the Ministry of Education, Culture and Science and the Ministry of Economic Affairs. SURF is the organization in the Netherlands which supports higher education and research in the area of e-infrastructures. • Budget: About €7 million (€3-4 million operating funds plus an average €3 million/year for acquiring supercomputing resources). SPAIN • National Supercomputing Centre: BSC-CNS (Barcelona Supercomputing Centre - Centro Nacional de Supercomputación) is the national supercomputing facility in Spain and hosts the MareNostrum supercomputer. The mission of BSC-CNS is to investigate, develop and manage information technology in order to facilitate scientific progress. • Funding Sources and Management: In 2004, the Ministry of Education and Science, Generalitat de Catalunya (Catalan Government) and Technical University of Catalonia founded the National Supercomputing Center in Barcelona. In 2004, the Ministry of Education and Science, Generalitat de Catalunya (Catalan Government) and Technical University of Catalonia founded the National Supercomputing Centre in Barcelona. • Budget: BCS had an initial operational budget of €5.5 million/year to cover the period 20052011. The income of the BSC-CNS in 2009 was €20.1 million of which €6.6 M corresponded to the ordinary budget coming from the patrons of the BSC-CNS, the Spanish and Catalan Governments; and €8.1 million from competitive projects. Of particular note, €3.9 million of funding was derived from projects with private companies. In 2009, the BSC-CNS participated in 23 competitively funded EU projects, 37 collaborative projects with industry and 14 national projects. • Other: In 2012, BCS upgraded MareNostrum at a cost of €22.7 million. The Spanish Supercomputing Network links MareNostrum to more than a dozen smaller HPC sites in Spain. BCS is a PRACE tier-0 host member. ITALY • National Supercomputing Centre: CINECA is Italy's national supercomputing centre and the country's PRACE host site. CINECA's Fermi supercomputer is one of the world's most powerful. • Funding Sources and Management: CINECA is a non-profit consortium made up of 70 Italian universities, four Italian Research Institutions and the Italian Ministry of Education. 70% of CINECA's budget is funded by the Italian Ministry of Education 31 University and Research, for services to science and industry. The remaining 30% of the budget comes for providing other services. A framework agreement governs how CINECA and other Italian HPC centres collaborate with industry (PPPs). CINECA is led by a Board of Directors composed of the rectors of the member universities or their delegates, by a representative of CNR (National Research Council) and one of the Ministry of Education, University and Research (MIUR).The Board of Directors is represented by the Chairman, while the General Manager is responsible for the development, organisation and management of the Consortium's activities. • Budget: As a PRACE hosting member, Italy made a commitment to spend €100 million during the course of PRACE 1.0 IDC estimates that Italy's annual monetary budget for HPC is about €20 million. • Other: CINECA also acted as the procuring entity for the PRACE 3IP PCP (pre-commercial procurement) submission of March 9, 2015, representing partners CSC (Finland), GENCI (France), FZJ (Germany) and the University of Edinburgh. The goal of this PCP is 'Whole System Design for Energy Efficient HPC.' The budget is total €9.0 million over 26-months duration. CINECA is led by a Board of Directors composed of the rectors of the member universities or their delegates, by a representative of CNR (National Research Council) and one of the Ministry of Education, University and Research (MIUR).The Board of Directors is represented by the Chairman, while the General Manager is responsible for the development, organisation and management of the Consortium's activities. FINLAND • National Supercomputing Centre: CSC, the Finnish IT Centre for Science, is Finland's national supercomputing centre and supports both science and industry. CSC supports a European-wide customer base of thousands of researchers in disciplines such as biosciences, linguistics, chemistry and mathematical modelling. • Funding Sources and Management: CSC is a non-profit limited company whose shares are fully owned by the Finnish state. CSC is directly governed by the Finnish Ministry of Education. The Finnish Funding Agency for Technology and Innovation (Tekes) provides about half of the HPC funding for Finnish universities, research institutes, and industry. Finland's innovative MASI (modelling and simulation) ***program***, 2005-2010, was aimed at boosting the global competitiveness of Finnish firms through the use of HPC. Financing for MASI totalled €100 million over five years, with Tekes providing €53 million of that amount. • Annual Budget: €31 million DENMARK • National Supercomputing Centre: Danish Centre for Scientific Computing (DCSC). • Funding Sources and Management: DCSC is under the Danish Ministry of Education with government funding allocated for data processing capacity within the area of scientific computing for research assignments. • Annual Budget: €3 million (estimated) NORWAY • National Supercomputing Centre: Norway has no single national supercomputing centre. NOTUR, the Norwegian Metacentre for Computational Science, oversees time allocation 32 for Norway's four supercomputer centres. They are located at the Norwegian University of Science and Technology (NTNU) in Trondheim, the University of Bergen, the University of Tromsoe, and the University of Oslo. • Funding Sources and Management. The Research Council of Norway (Norges forskningsråd), like its Finnish counterpart, provides about half the funding for Norwegian HPC initiatives of national interest. A major thrust is the eVITA ***program*** aimed at developing innovative tools to support HPC use in science and industry. • Annual Budget: The eVITA annual budget is about €17 million. The Norwegian Intelligence Service's (NIS) annual budget was quadrupled in 2014 to more than €90 million, from which NIS ***plans*** to use a substantial but unspecified amount to acquire a powerful new supercomputer ('STEEL WINTER') for crypto-analysis. SWEDEN • National Supercomputing Centre: Like Norway, Sweden has no single national supercomputing centre. • Funding Sources and Management: The Swedish National Infrastructure for Computing (SNIC) is a distributed infrastructure that is funded in part by the Swedish Research Council (Vetenskapsrådet) and in part by the participating universities: Chalmers University of Technology, KTH Royal Institute of Technology, Linköping University, Lund University, Umeå University and Uppsala University. SNIC is part of the Swedish Science Council, whose task is to coordinate and develop high-end computing capacity for Swedish research. Prominent among the universities aligned with SNIC is the KTH Royal Institute of Technology in Stockholm. • Budget: In October 2014, KTH installed a 2PF supercomputer, the largest to that date in the Nordic countries. The budget for acquiring the computer and four years of operations (with spending over four years) is about €18 million and comes primarily from SNIC. • Annual Budget: The SNIC annual budget is €4.8 million (45 MSEK). GREECE • National Supercomputing Centre: Greece has no designated national supercomputing centre, but in 2014 the state-owned company Greek Research and Technology Network (GRNET S.A ) teamed with Cosmos Business Systems to acquire a national supercomputer. IDC estimates the market value of the 180TF, Xeon-based supercomputer at about €6 million. • Funding Sources and Management: The GRNET S.A state-owned company operates under the auspices of the Greek Ministry of Education - General Secretariat for Research and Technology. Its mission is to provide high-quality infrastructure and services to the academic, research and educational community of Greece, and to disseminate ICT to the general public, including HPC. In 2014, GRNET signed a contract for Greece's first national supercomputer. The national supercomputer was developed under the “PRACE-GR - Developing National Supercomputing Infrastructure and Related Services for the Greek Research and Academic Community” project, which is co-funded by the Operational ***Programme*** “Attica” and the European Regional Development Fund (ERDF). • Annual Budget: IDC estimates GR-NET's budget at €2-3 million per year. 33 SWITZERLAND • National Supercomputing Centre: The Swiss National Supercomputing Centre (Italian: Centro Svizzero di Calcolo Scientifico; CSCS) acts in this capacity. • Funding Sources and Management: CSCS is an autonomous unit of the Swiss Federal Institute of Technology in Zurich (ETH Zurich) and closely collaborates with the local University of Lugano (USI). In addition to the computers of the National User Lab, CSCS operates dedicated compute resources for ***strategic*** research projects and tasks of national interest. Since 2000, the calculations for the numerical weather prediction of the Swiss meteorological survey MeteoSwiss take place at the Swiss National Supercomputing Centre. Annual Budget: €23.2 million

**Load-Date:** January 26, 2018

**End of Document**



[***Register of Commission documents: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking Document date: 2018-01-11 COM\_SWD(2018)0006 SEC documents***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RG2-V641-F0YC-N2B0-00000-00&context=1516831)

Impact News Service

January 20, 2018 Saturday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 24410 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN EN EUROPEAN COMMISSION Brussels, 11.1.2018 SWD(2018) 6 final PART 1/4 COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking {COM(2018) 8 final} - {SWD(2018) 5 final} 2 Table of Contents Preamble ..................................................................................................................................... 5 1. Introduction ....................................................................................................................... 5 1.1 Background ............................................................................................................. 5 1.2 Context .................................................................................................................... 7 2. Problem Definition ........................................................................................................... 8 2.1 A brief introduction to HPC and its ***strategic*** value for science and the digital economy .......................................................................................... 8 2.2 What is the problem that requires action and its size .............................................. 8 2.3 What are the problem drivers? .............................................................................. 18 2.4 Who is affected and in what ways? ....................................................................... 20 2.5 How would the problem evolve? ........................................................................... 22 3. Why should the EU act? ................................................................................................. 24 3.1 Why do we need to act now?

................................................................................. 24 3.2 The right to act at EU level ................................................................................... 25 3.3 Subsidiarity ............................................................................................................ 25 3.4 EU added value ..................................................................................................... 26 4. Objectives: What should be achieved? ........................................................................... 27 4.1 Overall objectives of the EuroHPC entity and instrument .................................... 27 4.2 Functionalities of the EuroHPC instrument .......................................................... 27 4.3 Specific Objectives ................................................................................................ 29 5. Available Policy Options ................................................................................................ 30 5.1 Option 0: Baseline from which the policy options are assessed ........................... 30 5.2 Options considered for implementing EuroHPC but discarded at an early stage . 31 5.3 Option 1: ERIC ...................................................................................................... 34 5.4 Option 2: Joint Undertaking .................................................................................. 36 6. What are the Impacts of the Policy Options? ................................................................. 39 6.1 Option 0: Baseline scenario ................................................................................... 39 6.2 Option 1: ERIC ...................................................................................................... 41 6.3 Option 2: Joint Undertaking (JU) .......................................................................... 42 7. How do the Options Compare? ....................................................................................... 44 8. Selection of Preferred Option and how will the EuroHPC JU work .............................. 46 9. How would actual Impacts be monitored and evaluated? .............................................. 47 3 LIST OF ANNEXES  Annex 1: Procedural information  Annex 2: Analysis of the responses received to the targeted Consultation and on the Inception Impact Assessment on the HPC Initiative in Europe  Annex 3: Who is affected by the initiative and how?  Annex 4: Staff and budgetary estimates for the Euro HPC JU option  Annex 5: HPC and its ***strategic*** value for the digital economy  Annex 6: Brief review of the funding sources and budgets of HPC initiatives Worldwide and in Europe 4 GLOSSARY The below table explains the key terms or acronyms used in this document. ASCR Advanced Scientific Computing Research CEF Connecting Europe Facility CoE Center of Excellence cPPP Contractual Public-Private Partnership DoE (US) Department of Energy DSM Digital Single Market EC European Commission ECI European Cloud Initiative EEIG European Economic Interest Grouping EIB European Investment Bank ERIC European Research Infrastructure ETP European Technology Platform ETP4HPC European Technology Platform for High-Performance Computing Exascale Computing systems capable of 1018 Floating Point Operations per Second FET Future and Emerging Technologies Flop Floating Point Operations per Second FP7 7th EU Framework ***Programme*** for Research & Innovation FPA Framework Partnership Agreement GDP Gross Domestic Product H2020 Horizon 2020 Framework ***Programme*** for Research & Innovation HPC High-Performance Computing ICT Information and Communication Technology IPCC Intergovernmental Panel on Climate Change IPRs ISV Intellectual Property Rights Independent Software Vendors ITER International Thermonuclear Experimental Reactor JTI Joint Technology Initiative JU Joint Undertaking (as defined by Article 187 TFEU) LEIT Leadership in Enabling and Industrial Technologies MFF Multi-annual Financial Framework NSA (US) National Security Agency NSCI National ***Strategic*** Computing Initiative OJ Official Journal of the EU PCP Pre-Commercial Procurement PPI Public Procurement of Innovative solutions PPP Public-Private Partnership PRACE Pre-exascale Partnership for Advanced Computing in Europe Computing power near the exascale performance (i.e 0.1-0.6 exascale) R&D Research and Development R&I Research and Innovation ROI Returns on Investment SME Small- and Medium-sized Enterprise SRA ***Strategic*** Research Agenda SSC (PRACE) Scientific Steering Committee TFEU Treaty on the Functioning of the European Union WP Work ***Programme*** 5 PREAMBLE In this document the terms High Performance Computing (HPC) systems, HPC machines and supercomputers are used indistinctly. The terms leading-class/world-class computers or systems refer to supercomputers that are ranked amongst the most powerful in the world. An important point is the level of computing performance of supercomputers: the next HPC computing frontier is the exascale performance, i.e supercomputers capable of executing 1018 or 1 billion billion Floating Point Operations per Second. These systems are expected to be built around 2022. The term pre-exascale is used to refer to performance levels close to exascale (i.e 0.1 to 0.7 exascale). Pre-exascale systems are expected to be available on the market around 2019-2020. 1. INTRODUCTION This document explains that High Performance Computing (HPC) is a ***strategic*** priority for Europe. The European Commission (EC) and several Member States (MS) have already taken the decision to co-invest in a joint structure that would allow Europe to reach the ***strategic*** goals defined in this domain through optimal use of available public funding. The document explores which form of legal and financial instrument would serve best the objectives of this joint HPC structure (called in the sequel the EuroHPC entity) that would start operating as of 2019 onwards and assesses its impact to implement the EuroHPC strategy in Europe. 1.1 Background Europe's scientific capabilities, industrial competitiveness and sovereignty critically depend on access to world-leading HPC computing and data infrastructures to keep pace with the growing demands and complexity of problems to be solved. In 2012, the Communication 'High performance Computing: Europe's place in a global race'1 highlighted the ***strategic*** nature of HPC as a crucial asset for the EU's innovation capacity and called on Member States, industry and the scientific communities, in cooperation with the EC, to step up joint efforts to ensure European leadership in the supply and use of HPC systems and services by 2020. On 19 April 2016, the EC adopted the European Cloud Initiative (ECI)2,3 as part of its Digitising European Industry strategy.4 The Communication invited the EC and the MS to work together in the creation of a leading European HPC and Big Data ecosystem, underpinned by a world-class HPC, data and network infrastructure. Such infrastructure would support the EU to become one of the world's top supercomputing powers by realising exascale supercomputers around 2022, based on European technology, ranking among the first three places in the world. 1 COM(2012) 45 final 2 COM(2016) 180 final 3 SWD(2016) 106, accompanying the ECI Communication 4 COM(2016) 180 final 6 The European HPC Strategy aims at establishing a world-class HPC ecosystem in Europe, acquiring leadership-class supercomputers which secure Europe's own independent HPC technology and system supply, and deploying HPC services for science, industry and SMEs. To be able to implement this strategy we need to coordinate and pool national and European efforts in developing and procuring world-class supercomputers. In May 2016, the Competitiveness Council5 expressed its political support to HPC followed by the European Parliament in January 2017.6 The Competitiveness Council took also note of the intention of France, Italy, Luxembourg and Spain to launch a joint project for developing a commercial offer in HPC and big data serving industrial applications. Moreover, the European Council of 28 June 2016 called for swift and determined progress to create the right conditions for stimulating new business opportunities by coordinating EU efforts on high-performance computing; and looked forward to the launch of an important project of common European interest in this field.7 On 23 March 2017 at the Digital Day in Rome, which was organised as part of the 60th Anniversary celebrations of the Treaty of Rome, seven MS – France, Germany, Italy, Luxembourg, the Netherlands, Portugal and Spain – signed the EuroHPC declaration.8 They were more recently joined by Belgium, Slovenia, Bulgaria, Greece, Croatia and Switzerland. These countries agreed to work together and with the EC for acquiring and deploying by 2022/2023 a pan-European integrated exascale supercomputing infrastructure called EuroHPC. Other MS and Associated Countries (AC)9 are invited to sign the EuroHPC declaration. Several countries have already signalled their intention to do so by the end of 2017. The EuroHPC Declaration is an agreement in which the signatory MS commit to work together and with the EC for acquiring and deploying an integrated world-class HPC infrastructure, which will be made available across the EU for scientific communities as well as public and private partners, no matter where supercomputers are located, upraising Europe's scientific capabilities and industrial competitiveness and for jointly procuring and deploying exascale supercomputers accessible from everywhere in Europe based on competitive European technologies. On 10 May 2017, in the Communication on the Mid-Term Review of the Digital Single Market (DSM) Strategy10, the EC confirmed its ***plans*** to invest on HPC and announced its 5 The Competitiveness Council on 29-30 May 2016 adopted conclusions on the ECI Communication, highlighting the role of HPC in the EU's innovation capacity and stressing its ***strategic*** importance to the EU's industrial and scientific capabilities as well as to its citizens. 6 European Parliament, Report on the European Cloud Initiative (2016/2145(INI)), Committee on Industry, Research and Energy, Brussels, 26 January 2017. 7 [*http://www.consilium.europa.eu/en/press/press-releases/2016/06/28-euco-conclusions/*](http://www.consilium.europa.eu/en/press/press-releases/2016/06/28-euco-conclusions/) 8   [*http://ec.europa.eu/newsroom/document.cfm?doc\_id=43815*](http://ec.europa.eu/newsroom/document.cfm?doc_id=43815), and   [*https://ec.europa.eu/digital-single-market/en/news/belgium-joins-european-cooperation-high-performance-computing*](https://ec.europa.eu/digital-single-market/en/news/belgium-joins-european-cooperation-high-performance-computing) 9 Countries associated to H2020:   [*https://ec.europa.eu/research/iscp/pdf/policy/h2020\_assoc\_agreement.pdf*](https://ec.europa.eu/research/iscp/pdf/policy/h2020_assoc_agreement.pdf) 10 COM(2017) 228 final 7 intention to propose by end-2017 a legal instrument that provides a procurement framework for an integrated exascale supercomputing and data infrastructure. 1.2 Context The EuroHPC declaration and the communication on the DSM mid-term review have soundly supported the decision on establishing the joint EuroHPC entity that allows the co-investment of the Union with MS and ACs to establish an integrated world-class supercomputing and data infrastructure. The EuroHPC entity would permit to coordinate and pool national and European efforts in a framework to procure jointly between the Union and the MS a world class HPC and data infrastructure and their interconnection. In order to be able to procure such infrastructure based on competitive European technology, the EuroHPC entity will also be used to develop further the European HPC ecosystem, i.e , a reinforced technology supply chain, a richer applications offer in various sectors and the tools necessary to provide these applications as an HPC Cloud service across Europe. This includes support to Research and Innovation (R&I) on both hardware and software required for building competitive exascale machines as well as support to the development of skills needed for reaping the benefits of investing in such leading infrastructure. There is an urgent need to act now, driven by the triple need to: (i) procure and deploy in Europe in competitive timeframes a world-class pre-exascale HPC infrastructure; (ii) make it available to public and private users for developing leading scientific and industrial applications that would foster the development of a broad pre-exascale ecosystem in Europe; and (iii) support the timely development of the next generation European HPC technologies and their integration into exascale systems in order to be ready to procure them in competitive timeframes with respect to our world competitors. These three objectives are within reach if the EuroHPC entity could be set up and start operating in 2019. The entity would not need extra funds from the current Multiannual Financial Framework (MFF), as it will draw funds from the budgets already committed for HPC activities in the different work-***programmes*** (WPs) of the last two years of Horizon 2020 (H2020) and the Connecting Europe Facility (CEF). A total budget of approximately EUR 1 billion would be available: an EU contribution of around EUR 486 million matched by a similar amount from the MS/AC. This would ensure the operations and payments of all the activities that the EuroHPC entity would launch at the latest by the end of 2020 until their termination around 2025/2026. The EuroHPC entity may also receive financial support from the next MFF. Should this be the case, the entity would be ready to fulfil further the objectives of the European HPC strategy. This would imply in particular the possibility for the entity to procure exascale HPC systems based on European technology; support the development of a thriving exascale ecosystem in Europe; and prepare for the next generation of HPC technologies and their link to quantum computing. 8 2. PROBLEM DEFINITION 2.1 A brief introduction to HPC and its ***strategic*** value for science and the digital economy HPC is a branch of computing that deals with simulation and modelling of scientific and engineering problems and with data analytics that are computationally so demanding that computations cannot be performed using general-purpose computers. Today, these computations typically run on very powerful systems with highly parallelized computing units of hundreds of thousands or millions of processors. Those computers are often referred to as supercomputers. The speed at which computing power increases is so fast that today's state of the art machines are obsolete after five years of operation on average. As the problems modelled in computer simulations and decision support systems grow in size and complexity (to enable more detailed predictions, to cope with ever larger amounts of data or both), so do the demands on computational resources. In many areas spanning from health, biology and climate change to automotive, aerospace energy and banking general-purpose computers cannot provide a practical solution to address complexity anymore and access to HPC becomes essential. HPC is at the core of major advances and innovations in the digital age, where to out-compute is to out-compete. It is a key technology for science, industry, and society at large. Annex 5 provides data on how impactful HPC is today on the economy and society, provides data on its high returns on investments, and illustrates the importance of HPC with many examples of the most prominent HPC applications in science, industry and the public sector. To fully reap the benefits of HPC, it is necessary to support a full ecosystem comprising hardware and software components, applications, skills, services and interconnections. In fact every new generation of HPC systems pushing further the performance limits is the result of a cooperative effort between suppliers, operators, users and researchers, tailor-made and optimised for the scientific or industrial application users, which HPC systems are intended to serve. Such an interdisciplinary approach leads to a more efficient use of often expensive supercomputing systems and develops training capabilities for ***programming*** such systems. 2.2 What is the problem that requires action and its size The 2012 Communication on 'High-Performance Computing: Europe's place in a Global Race'1, laid down the foundations for a European HPC strategy. The overall objective was the development of the European HPC infrastructure and a pooling of national investments in HPC. This was broken down into the specific objectives to provide a world-class European HPC infrastructure, ensure independent access to HPC technologies, pool enlarged resources, increase efficiency, ***strategic*** use of joint and pre-commercial procurement, and ultimately, ensure the EU's position as a global actor. The Communication called on the European Commission, the Member States, the industry and PRACE11 to put in place a number of actions to reach these objectives. As a consequence the following actions were implemented:  The contractual public-private-partnership (cPPP) European Technology Platform ETP4HPC12 was created in 2013. It is an industry-led technology platform of HPC 11 PRACE (   [*http://www.prace-ri.eu/*](http://www.prace-ri.eu/)) offers a pan-European supercomputing infrastructure providing access to computing and data management resources and services for large-scale scientific and engineering applications at the highest performance level. PRACE is an association of 24 member countries. The PRACE top computer systems (so-called Tier-0) are provided by five PRACE hosting members (BSC Spain, CINECA Italy, GCS Germany, GENCI France and CSCS Switzerland. 12   [*http://www.etp4hpc.eu*](http://www.etp4hpc.eu)/ 9 suppliers with the mission to develop a joint research agenda and coordinate its implementation, thereby creating critical mass of R&D in HPC, building a world-class HPC technology supply chain in Europe, increasing the global share of European HPC technology vendors and maximising the benefits that HPC technology brings to the European HPC user community.  The EC made a commitment towards the ETP4HPC to invest EUR 700 million in H2020 for the period 2014-2020. The cPPP should leverage a similar amount of resources on the private side.  PRACE hosting member countries supported the European science community, providing access to most powerful computers in Europe, as well as training facilities and skills development opportunities. The EC supports financially PRACE to facilitate the access to the computing resources. In addition, the EC and the MS are also investing in GÉANT, the pan-European data network for the research and education community linking national research and education networks as well as supercomputing centres across Europe. 13  Centres of Excellence (CoEs)14 were established and funded by the EC for the application of HPC in scientific domains of importance for Europe. They also provide support, competences and training to the user communities.  MS continued to invest in their national HPC capabilities, developing technology and regularly procuring new machines to replace the outdated ones. Lessons learnt in the implementation of the HPC strategy Despite all the above activities that were put in place, the implementation of the HPC strategy is still not very efficient and effective today. The main reason for this is the existing fragmentation of efforts at EU ***programme*** level and between EU and MS level. As reported in the 2016 Communication on the European Cloud Initiative2 and in the accompanying Staff Working Document3, many of the challenges identified in the Communication of 2012 are still largely unresolved:  Provide a world-class European HPC infrastructure: PRACE is an effective tool to provide computing cycles, but the procurement of systems is still done by MS in an uncoordinated way. This situation for example leads to periods of abundance of top-class systems (i.e in 2012, with several MS acquiring top machines) followed by a period of low resources for researchers (i.e in 2016-2017, due to obsolescence of previous machines and lack of further investments). A pan-European vision with a more ***strategic*** and rational ***planning*** of procurements is necessary.  Fragmentation of European and national efforts: The implementation of the R&I agenda proposed by the cPPP is fragmented: First, MS have their own national ***programmes***. And second, the way the EC implements the HPC strategy is not well-coordinated, since it uses two different ***programmes*** (CEF and H2020) and three different H2020 WPs (FET, LEIT-ICT and Research Infrastructures). This is due to the different nature of the supported activities (R&I, infrastructure development, etc.) and annual budget limitations. Such implementation is complex: it involves discussion with four 13   [*https://www.geant.org*](https://www.geant.org) 14 Centres of Excellence (CoE) ensure EU competitiveness in the application of HPC for addressing scientific, industrial or societal challenges. The Centres are conceived to be user-focused, develop a culture of excellence, both scientific and industrial, and place computational science and the harnessing of “big data” at the centre of scientific discovery and industrial competitiveness. 10 different ***programme*** committees with different delegates often from different entities within each MS, making coordination between committees more difficult. Moreover, as the four different ***programmes*** have their own timing, the synchronisation of the calls addressing the various but interlinked aspects of the European HPC strategy, becomes a real challenge. At EU level, a single R&I ***programme*** is necessary for an efficient production of European HPC technology.  Innovation procurement is not used in HPC: Innovation procurement instruments like the Pre-Commercial Procurement (PCP) and the Public Procurement for Innovation (PPI) have not been used so far by the MS in the area of HPC. In contrast, the USA, China and Japan use legal instruments that ensure a flexible process for the production of national technology in R&D ***programmes*** and their integration in the systems that are acquired by the national agencies. Europe would benefit from a joint structure that would permit to pool national and EU resources and jointly procure HPC systems by making systematic recourse to innovation procurement.  Ensure the EU's position as a global actor: European suppliers face limitations in acceding to public procurements of HPC in USA, China or Japan. In contrast the EU is still the most open market, with no restriction in most of the public procurements on HPC (except e.g for military purpose machines in some countries). Making systematically recourse to mechanisms like the one provided by Article 30.315 of the H2020 model grant agreement (to object under certain conditions to the transfer of Intellectual Property Rights (IPR) to third countries) and to new procurement and exploitation strategies would permit protecting IPRs ***produced*** in the EU and first exploiting in Europe the EU-funded R&I results. The above issues will be analysed in the sections below. In summary, the EU is now confronted with the following situation: The EU does not have the best supercomputers in the world even in areas of key importance; the available supercomputers do not satisfy the demand; the MS spending in HPC is not coordinated and the industrial take-up of HPC technology developments is low. We still fail in turning the technology development into HPC systems that are procured in Europe, i.e we lack an effective link between technology supply, co-design with users, and a joint procurement of systems. Figure 1 provides an overview of the main problems, their drivers and their consequences. 15 [OPTION 1 for EU grants]: The [Commission][Agency] may — up to four years after the period set out in Article 3 — object to a transfer of ownership or the exclusive licensing of results, if: (a) it is to a third party established in a non-EU country not associated with Horizon 2020 and (b) the [Commission][Agency] considers that the transfer or licence is not in line with EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations. 11 Figure 1: Overview of the main problems, their drivers and consequences Problem Nr 1: The EU does not have the best supercomputers in the world but, in addition it is largely dependent on non-European HPC supply chains with the increasing risk of not having access to latest ***strategic*** technology even if resources were available. Today, none of the 10 leading supercomputers in the world – i.e supercomputers with a performance level necessary to sustain leading-edge research – is located in the EU (5 are in the USA, 2 in Japan, 1 in Switzerland and the 2 top systems are located in China).16 Figure 2: HPC World Top 20 as of June 2017 and their computing power 16 See:   [*https://www.top500.org*](https://www.top500.org) Public investments for HPC in EU/MS remain uncoordinated and insufficient to cope with the demand Relatively small European system vendors face stiff competition from large foreign competitors Europe does not have the best super-computers in the world integrating European technology Supercomputers available in Europe do not satisfy the demand MS do not have a framework for joint procurement The European HPC technology supply chain is weak and the integration of European technologies into operational HPC machines remains insignificant Science: Digital divide across Europe with regard to access to available resources Public Sector: Risk of insufficient protection of public/financial services, ***strategic*** decision making, national security Industry: Loss of innovation due to low use of supercomputers / stiff competition to access to few available resources (particularly for SMEs) Drivers Problems Consequences 12 Figure 3: HPC World Top 20 as of June 2017 Europe's top performing machine is located in Switzerland and it is based on US technology (i.e Cray). A more detailed analysis shows that while the US and the EU machines have similar capacities in terms of number of available computer cores, the performance of the two systems is very different with the average EU being below 30% of the average US performance.17 The main reason for this situation is that Collectively, the EU and the MS are significantly under-investing in HPC technology supply and infrastructures when compared to the investments of USA, China or Japan. The current funding gap with the USA is estimated in at least EUR 700 million per year. So far, the EC invested EUR 330 million on HPC-related activities of H2020 between 2014 and 2017 and further investments of the order of EUR 750 million are foreseen in the period 2018 – 2020. The total EU support in HPC will be over EUR one billion in the period 2014-2020. As for the collective investments of the MS for the same period these are estimated to be at around EUR 1.5 billion. The four PRACE countries hosting the Tier-0 machines made available to European scientists of computing time equivalent to the cost of EUR 400 million. A study conducted for the EC in 201518 on the progress of the implementation of the European HPC strategy concluded that the present pace of growth of European investment in HPC will not be enough to attain and maintain leadership, meaning at minimum parity with best-in-class HPC resources in the USA, Japan, or China. In 2015, the estimations of the study of the public and private investments for Europe to achieve leadership by 2020 were in the order of additional EUR 5.3 billion in 7 years (2016 to 2022). When compared to current investments of the EU and MS, the gap with the USA can be estimated at least at EUR 700 million per year (see Annexes 5 and 6 for further details). Moreover, HPC has now become an indispensable technology for supporting policy making and maintaining national sovereignty, supporting ***strategic*** decision-making for energy, home security, or climate change, or in the context of national security applications. Access to indigenous world-class HPC machines has become an asset to a country 17 Calculated as the average Rmax and Rpeak from Top500 18 Study IDC SMART number 2014/0021 - High Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy 1China11United Kingdom2China12United States3Switzerland13Spain4United States14Italy5United States15United States6United States16United States7Japan17Germany8Japan18Saudi Arabia9United States19France10United States20United States 13 to an extent that it is considered not only as a ***strategic*** resource for its economy, but also a matter of national security. A recent report from the US19 states '… national security requires the best computing available, and loss of leadership in HPC will severely compromise our national security …'. Access to own higher computing power provides a competitive advantage in scientific innovation and industrial competitiveness, and is indispensable technology for supporting policy making and maintaining national sovereignty (see Annex 5 for a detailed analysis of the impact of HPC). The USA, China and Japan have declared HPC to be a ***strategic*** priority for their country. They consider HPC as too ***strategic*** to be largely dependent on foreign suppliers and put focus on developing indigenous HPC supply chains and ecosystems that are essential for economic development and for security and safety. The top 5 supercomputers installed in the EU are supplied by vendors outside Europe, 3 from the United States (Cray, HPE) and 2 from China (Lenovo). They all integrate Intel processor technologies. Similarly, the technology used to interconnect the system originates from outside Europe (Cray, Intel, Mellanox). If the EU does not have its indigenous supply of supercomputers, it will find difficulties to acquire state-of-the-art machines or the technology to build them, as the supplying regions would not want to lose their competitive advantage to innovate. A recent example is China, which was deprived from the supply of USA state-of-the-art technology and as a consequence developed its own HPC supply chain. As a result China now has the two world-wide fastest supercomputers. The concern that Europe's supercomputing capabilities depend on non-EU suppliers for critical technologies and systems and that Europe is relegated against its global competitors in a field as ***strategic*** as supercomputing have been put forward by stakeholders, and in particular by the user industry, in the EuroHPC targeted consultation20 (see Annex 2) to go for a new action at the EU lev

el that goes beyond current actions.21 EU depends on other regions for the supply of critical technology for its HPC infrastructure. EU risks getting technologically deprived of ***strategic*** know-how for innovation and competitiveness. The availability of the best supercomputing capacity is strongly linked to the ability to master and ***produce*** indigenous HPC technology in Europe. If the EU is not able to ***produce*** and integrate leading-edge HPC technology, it will systematically become a mere buyer of foreign systems that are behind the latest HPC technological generation that is ***produced***, used and exploited first elsewhere. Therefore, it is of ***strategic*** importance for the EU to be able to ***produce*** its own HPC technologies and integrate them into leading-edge HPC machines that it procures. In order to fully reap the benefits of leading-edge HPC machines, it is also necessary to create a full HPC ecosystem. Every new generation of machines pushing further the limits of performance is custom designed. These machines are not off-the-shelf products. On the 19 U.S Leadership in High Performance Computing (HPC) – A Report from the NSA-DOE Technical Meeting on High Performance Computing, December 1, 2016. 20 'Targeted Consultation on the HPC Initiative in Europe and the EuroHPC Inception Impact Assessment' 21 The other one being overall inefficiency resulting from the current fragmentation of efforts. 14 contrary, they are a product of the cooperative effort of the suppliers, operators and users, tailor-made and optimised for the class of applications they are intended to solve and taking into account the boundary conditions (e.g availability of affordable electricity). This last aspect is crucial to develop a sustainable HPC environment. To reap the benefits of the use of a supercomputer requires ownership of the infrastructure. In addition, it is necessary to coordinate the supply of hardware and software components and tailor it to meet scientific and industrial application requirements. This means that such diverse communities as low-power microprocessors designers, resource management software developers, system integrators and computational scientists and engineers have to work together from an early stage of the design and development phases of supercomputing systems. Such an interdisciplinary approach leads to a more efficient use of often expensive supercomputing systems and calls for developing training capabilities for ***programming*** such computers for different user communities. Problem Nr 2: Supercomputers available in Europe do not satisfy the demand Because of the lack of highest performing HPC machines available in the EU, the European scientific and engineering research community prefers to use USA supercomputing facilities rather than PRACE. Two US ***programmes*** provide such opportunity.22 Comparing PRACE with its overseas counterpart in the USA (the Advanced Scientific Computing Research (ASCR) ***programme***) shows the extent to which the European HPC offer is insufficient to satisfy the demand. Access to ASCR supercomputer facilities is open to the scientific and engineering research community including universities, industry, and the US national labs through a peer review process. Data collected for the Fiscal Year 2015 reveals that the US is the major user of ASCR facilities23 with a total of 25993 users, whilst Europe with 3501 users (UK, Germany, France and Italy in the lead) is their second major user. Not only Europe does not have the best machines but it also cannot sufficiently satisfy the demand. If we compare ASCR and PRACE by the number of awarded projects by both programmes24, we can see that the total number of projects awarded by PRACE in each call (PRACE has 2 calls per year) has never exceeded 60 projects, while solely in the 2016 Fiscal Year ASCR awarded 921 projects to entities from the European countries.25 This comparison is indicating that the European scientific and engineering research community obtain more support from the US ASCR supercomputing facilities than from the European PRACE. A striking fact is that even the four PRACE members (Germany, France, Spain, Italy) that are providing computer systems to the PRACE association obtained more projects from ASCR than the maximum PRACE could offer. This holds also for some associated members of PRACE like the Czech Republic, Poland, Denmark, and the UK that do not provide computing systems to PRACE. In conclusion, there is a strong demand for HPC access in the EU, a demand which is not sufficiently satisfied by PRACE. Insufficient access to HPC resources was also among the main reasons why respondents to the EuroHPC consultation indicated that there is currently a problem with HPC in Europe (for 22 ASCR facilities available at [*https://science.energy.gov/user-facilities/user-facilities-at-a-glance/ascr/*](https://science.energy.gov/user-facilities/user-facilities-at-a-glance/ascr/) 23   [*https://science.energy.gov/~/media/\_/pdf/user-facilities/Reports/DOE-SC-User-Facilities-FY2015-report.pdf*](https://science.energy.gov/~/media/_/pdf/user-facilities/Reports/DOE-SC-User-Facilities-FY2015-report.pdf) 24 The comparison is indeed relevant since both ***programs*** have a similar allocation mechanism awarding one year or multi-year core hours. 25 ASCR source data available at   [*https://science.energy.gov/user-facilities/user-statistics/by-project/*](https://science.energy.gov/user-facilities/user-statistics/by-project/) 15 details see Annex 2). Regarding specifically the role of existing EU-funded HPC actions, such as PRACE, ETP4HPC and GEANT, they confirmed that in a future EU initiative on HPC existing actions should be improved, especially PRACE, and collaborate closer to complement each other. While we cannot take it for granted that Europeans can always use the best supercomputers existing in other regions, it is also a fact that the most demanding European applications have to run on the machines provided by the EU competitors, while only less demanding applications can run on the supercomputers available in Europe. This means that data ***produced*** by EU research and industry risks getting processed elsewhere for lack of corresponding capabilities in the EU. Ultimately our scientific and industrial leadership will become dependent on the accessibility to the highest-end machines that are outside Europe. The high dependence on the access to non-European supercomputers raises several problems:  The data ***produced*** by European scientists and industry is processed outside the EU. This creates problems related to privacy, data protection, commercial trade secrets, and ultimately loss of ownership of critical data. This is particularly critical for sensitive applications, for example in security, health, or engineering, where the data for national security reasons should not leave the EU.  European users do not have the priority to use the machines and are at the mercy of the access policy of the hosting country. Even if the selection of users is based on a peer review process, European users always face the risk that indigenous users get preferred access, computing time or computing power. This is in particular a problem for industrial users that cannot afford to wait for the machines they need.  In the long term, European users, scientific as well as industrial, might move outside the EU to get the same access rights, access conditions and price as the indigenous users. The brain drain from researchers relocating to third countries may not be limited to the loss of excellence in scientific disciplines, but Europe can also lose its competences in developing applications for supercomputers if users no longer co-design the applications with the supercomputing centres.  The demand for more computing power will continue increasing and new applications will soon emerge notably in health, energy, environment, fintech, manufacturing etc. which we cannot satisfy with the computing power of today's HPC machines. The problem will become even more acute in the next 5-7 years when the development of exascale applications comes to maturity. Problem Nr 3: Member States do not have a framework for joint procurement The PRACE Association provides access to the most powerful supercomputers in Europe (Tier-0 machines). However, it does not cover the coordination of national ***programmes***, nor joint investments for the procurement of systems, e.g there is no common European strategy to develop and acquire pre-exascale or exascale machines. The design, the specifications and the procurement of the machines are done by each of the supercomputing centres on their own and are mainly guided by own or by national interests, without any incentive to coordinate with the other countries. Although most MS share the same interests in advancing science, they try to satisfy as much as possible the requirement of 16 their national scientific communities. This however does not guarantee an optimal coverage of the different scientific communities at European level. In the USA, China and Japan the high-end supercomputing resources are acquired through public procurement of innovation with a national strategy. For example in the USA, there is a federal coordination of procurements between different agencies, like the National ***Strategic*** Computing Initiative (NSCI) and the Exascale Computing Project (see Annex 6) to frame the national efforts in a coherent strategy. These initiatives provide a critical mass for procurement, obtaining better value for money in acquisitions, and are also tightly linked to the technology supply, ensuring that national suppliers stay at the forefront of technology advancements. In Europe, the large fragmentation of HPC ***programmes*** and efforts, the non-coordinated activities and the lack of a common procurement framework lead to a waste of resources. This has been identified by stakeholders in the EuroHPC consultation as one of the current two top ranked problems of HPC in Europe (see Annex 2), independent of their type of organisation (i.e scientific user, industrial user, technology supply industry, computing centre). Current funding instruments have limitations when applied to large mission-oriented initiatives. The existing implementation tools are well adapted mainly to support R&D of marketable HPC technologies, but are complicated to coordinate for example several synchronised procurements in different MS with different legislation and rules. Most MS and Associated Countries to Horizon 2020 have their national HPC strategies and investment ***plans*** according to their national needs and ***programmes***. In particular those countries that have not the capability to invest in their own leading-class machines are prepared to co-invest to get access to the Tier-0 machines. Most of them participate in the PRACE ***programme***. Europe thus misses the opportunity to take advantage of efficiency gains by aligning the strategies and pooling resources. As for the EC, so far it has provided limited support to a joint procurement of supercomputers, mainly because of the hesitation of the Tier-0 countries to participate in such joint procurement. In 2016, the EC put in place a first call for procurement of innovation with the PRACE hosting countries. In return of the financial support from H2020 (at the level of 35% of the overall costs), the participating countries agreed to provide access to the procured machines. Problem Nr 4: The European HPC technology supply chain is weak and the integration of European technologies into operational HPC machines remains insignificant Today, Europe consumes about 29% of HPC resources worldwide, but the EU industry provides only ~5% of such resources worldwide. In addition, close to one fifth of the top 500 HPC systems are located in the EU, and out of these, ~20% are provided by EU vendors (oscillating between 20% and 25% over the last years).26 Between 2015 and 2016, their exports outside the EU consisted of 3 systems installed in South America and 5 in Asia. 26 French Bull-Atos is the leading European integrator, followed by the Dutch ClusterVision and the German SME Megware. The first system in the top 500 list installed by the European vendor Bull-Atos has rank 38. Bull-Atos has 10 systems in the top 100, all but one installed in Europe. ClusterVision has the first system at rank 329 and SME Megware at rank 357. 17 Figure 4: Contribution of EU vendors to the 500 most performant HPC systems (2011-16) The market share of EU vendors in Europe is even smaller when considering the HPC server market (beyond the top 500 systems), although the growth rates have been largely beating the market average (15% vs 3.4%). This growth raised the EU suppliers' market share from 2.8% in 2013 to 3.7% in 2016. During the same period, EU suppliers' share of the global HPC server market expanded at a robust 16.1% annual growth rate. Although this growth substantially exceeded the market's 5.8% growth rate during this period, it enlarged EU suppliers' share of the global HPC server market merely from a marginal 0.8% in 2013 to an equally marginal 1.1% in 2016. On the global market the European suppliers face unequal treatment on public procurement. The USA and China restrict the development and procurement of the high-end machines to domestic suppliers. As a consequence, non-European suppliers have a clear competitive advantage as they get direct funding support for the development of the national machines that they later on sell on the global market. In Europe there is an open market, without a policy to favour European suppliers. Therefore, in the absence of a prospective lead market and a risk sharing with the public sector, European suppliers hesitate to take the financial risk to develop the technology on their own. Despite the national and European R&D funding ***programmes***, Europe ends up with a weak supply industry, while it has one third of the application markets. As the non-European HPC suppliers participate in the European R&D ***programmes***, the EU ends-up paying non-EU-suppliers twice: for the development of their underlying technology and for the acquisition of their HPC machines built with non-EU technology. It is also to be noted that the functional HPC components and prototypes developed by the projects funded through the European Framework ***Programmes*** for Research (FP7, H2020) are rarely integrated in the machines that are procured. There are three main reasons for that:  Firstly, there is a lack of incentives of the supercomputing centres that specify the machines to be procured to privilege solutions developed by the European R&D ***programmes***. The procurements are in general implemented by the MS according to their national rules and the EC cannot impose measures to favour European suppliers. 18  Secondly, the H2020 rules for participation27 make it difficult to ensure continuity of the investments made between different calls. Each call is an open and competitive process, with the possibility to limit a follow-up call to the successful projects of the previous call only in exceptional cases. This leads to the situation where R&D results are rarely integrated in the subsequent calls addressing the development phase of the supercomputer, and are replaced by a solution that was developed elsewhere, including from a non-European supplier. The R&D investments are then inefficient to transfer European R&D results into marketable products, or to foster a European supply industry. European companies have then an increased risk of not getting funded in the subsequent call. The problem is further exacerbated by the fact that the H2020 calls are open also to non-EU beneficiaries.  Thirdly, the EC (and MS) do not use the innovation procurement instruments (PCP combined with PPI) to accompany the route from HPC technology development to procurement that would help support a competitive European supply industry and create a lead market in Europe. The main reason so far is the hesitation of the Tier-0 countries to participate in joint procurement actions, even less to ones that may favour procurement of European technologies that may be perceived as not sufficiently competitive. Finally, the development of exascale technologies is not for the sake of having the fastest supercomputer in the world, but the goal is to build 'first of a kind' systems rather than 'one of a kind'. Indeed, HPC technology of today, and in particular low-power processing units and systems, is the mainstream technology that we will find in the next five years integrated in our cars, homes, factories and personal devices. Not investing in HPC technologies makes it difficult to be present in any digital technology in the future, like the autonomous vehicles, the connected car, or the smart home. The transition to exascale computing is an opportunity for the European supply industry to leverage on technologies in the computing continuum from smart phones, to embedded systems (for example in the future driverless cars), and to servers, feeding the broader ICT market within a few years of their introduction in high-end HPC – giving a competitive advantage to those developing them at an early stage. The size of these target markets is estimated to EUR 1 trillion. The industrial users who responded to the public consultation identified as their main concern the dependence on non-EU technology. This clearly shows their awareness of the risks related to the dependence of a foreign technology supply-chain for a resource that is a critical for their competitiveness on a global market. 2.3 What are the problem drivers? The following are the main drivers contributing to the problem: Problem Driver Nr 1: Public funding for HPC in EU/MS remains uncoordinated and insufficient to cope with the demand MS investments are insufficient and uncoordinated to acquire enough high end HPC systems that satisfy the demand. According to the 2014 International Data Cooperation study19, Europe started to narrow down the former wide gap separating the most capable US and Japanese supercomputers at the very high end of the supercomputers segment from their European counterparts. Indeed, at first, spending increased substantially in the EU for large 27 OJ L 347 of 20.12.2013, pp. 81-103 19 supercomputers from 2009 (112 million EUR) until 2012 (658 million EUR). However, in 2014, it started to decline again (362 million EUR in 2014). No MS has the capabilities to develop the necessary HPC ecosystem on its own in a competitive timeframe with respect to the USA, China or Japan. The individual MS do not have the full value chain or competences and most lack the necessary funding levels. Lack of sufficient resources is one of the main reasons put forward in the EuroHPC consultation (see Annex 2) to go for a new action at EU level. The leading regions in the world are racing ahead and are massively investing in ***strategic*** HPC ***programmes*** to boost their HPC ecosystem and prepare it for the upcoming next generation computing (exascale and beyond). These ***programmes*** are driven by the public authorities with some leverage of private investments (mainly on the technology supply side). If the EU is entirely dependent on non-European supply, this puts at risk our capacity to acquire the latest HPC systems and our capacity to build a digital industry all together given that HPC technology has a spill over effect on all digital technologies. Regaining world-wide leadership in HPC cannot be achieved on the basis of Europe's current HPC industry set-up and market conditions alone. No European industrial player currently has all competences in-house. The required investments levels for industry exceed their capacity and the risks of failure to develop an exascale system are too high to be borne by industry alone. Equally, public funding alone will not be sufficient to finance the broad uptake of HPC in the European industry in coming years and notably SMEs. Problem Driver Nr 2: European HPC system vendors face stiff competition from large foreign corporations Relatively small European HPC system vendors face stiff competition from large foreign corporations supported by their governments on the open European HPC market. European HPC vendors face asymmetries in major HPC markets outside of Europe due to national regulations e.g for national security. The concern that the EU is relegated against its global competitors in a field as ***strategic*** as supercomputing is among the main reasons for respondents to the consultation for a new action at EU level that goes beyond current actions (see Annex 2). Other countries such the USA have long-standing models for R&D collaborations with indigenous HPC vendors, many of which include supercomputer procurements with strong R&D requirements. Building an HPC ecosystem is a significant challenge, because the EU has historically been the most open major HPC market in the world, in part because it has not had an indigenous HPC system vendor large enough to compete with US, Japanese or Chinese vendors. As a result, in 2014, 81.2% of all European HPC server system spending profited US vendors. The only sizeable Europe-based vendor, Atos-Bull, accounted for only ~2% of European HPC server spending in 2014. It has had some successes outside of Europe, but still relies on European sales for a large majority of its HPC revenues. This unsatisfying situation is exacerbated by three factors: i. European HPC system vendors face asymmetries in major HPC markets outside the EU due to national regulations, e.g related to national security. 20 ii. The EU market for HPC hardware systems and parallel software is still too small and fragmented to support EU-based HPC vendors. They cannot thrive and continually fund world-class innovation unless they can match the investments of competitors (especially USA and China) that have strong domestic demand and easier access to the global market. iii. Intellectual property rights developed in EU research projects relevant to HPC often benefit non-EU parents of participating companies as the current EU Framework ***Programme*** for Research and Innovation imposes limited restrictions on the transfer of rights to affiliates in third countries. Concerning the 1st factor, in the USA the acquisitions of supercomputers by US federal agencies are restricted by the 'Buy American' Act, although purchasing of software and components of non-US origin is often allowed. In China, the fast-growing HPC market has been dominated historically by US supercomputer vendors, because Chinese HPC vendors have not been able to compete effectively. More recently, the Chinese government directed investment banks and other 'critical infrastructure' sites to cease acquiring non-Chinese HPC systems. In Japan, the government market has historically tended to favour Japanese supercomputers, although non-Japanese ones also had some success in this market. Concerning the 2nd factor, the EU has a lower aggregate level of HPC resources compared to other large economies around the world. With regard to the top 500 machines, the USA have ~50% more HPC resources than the EU, and China and Japan together have approximately twice the resources of the EU. These differences are significant as these three global blocs have comparable nominal economic GDP outputs. In other words, there is currently indeed a structural weakness in EU HPC resources. Concerning the 3rd factor, there are provisions in the EU Research Framework ***Programme*** that can contractually oblige an organisation to disclose such transfers. These restrictions are certainly helpful although not as severe as in other countries developing HPC technologies outside the EU. In addition to issues related to IPRs and their transfers, probably an even more important aspect is that a stronger HPC ecosystem in the EU is likely to open up new and attractive career opportunities for top scientists and engineers and reduce the brain drain from the EU. 2.4 Who is affected and in what ways? A joint structure coordinating and pooling the resources at European level will mobilise the necessary resources at European level to provide a world-class pan-European infrastructure and a strong European HPC ecosystem with lasting benefits in Europe. Europe in principle has the human potential and technological know-how to develop such an ecosystem along the whole HPC value chain. The following group of stakeholders are likely to be directly or indirectly affected by the initiative (see Annex 3 for an extended analysis). MEMBER STATES MS are expected to significantly benefit from the initiative. The EuroHPC initiative will enable them to coordinate together with the EC their HPC investments and strategies. The joint initiative will make it possible for them to access a world-class HPC infrastructure that no single country on its own can afford in particular those with little or no significant HPC resources in place. 21 The increased availability and accessibility of top HPC resources will motivate the users to keep their activities and data in Europe, helping to keep critical know-how and human potential in MS. SCIENCE - UNIVERSITIES AND RESEARCH CENTRES Thanks to a joint structure that ensures the sustainability and availability of resources in the short, medium and long terms, EuroHPC will ensure a European-wide access for researchers in Europe's Universities and Research Centres to supercomputers and data with a guaranteed high level of resources, and irrespective of their geographical location or scientific discipline. This factor is critical to ensure that the academic and scientific potential stays in Europe and is not exploited in other regions with more competitive HPC resources. A sustainable joint structure supported by the EC and MS will also consolidate the already existing vibrant mix of national, regional and pan-European initiatives in intra-EU scientific collaboration, and will provide EU-based teams with powerful resources to strengthen the European presence in international scientific endeavours. INDUSTRY INCLUDING SMES The new initiative will revitalise the European HPC ecosystem, where industry and in particular SMEs will benefit as both users and suppliers of HPC technology and applications.  As users; EuroHPC will consolidate European leadership in many HPC-empowered applications by making available more resources for industrial use accessible at EU level, complemented with specific measures to widen the usage of HPC technologies. This is of critical importance to industry and particularly SMEs without in-house capabilities that will benefit from easy to use HPC resources, applications and analytics tools to create new innovative products and processes.  As suppliers; a European-wide initiative with a focus on the supply of a European source of HPC technology and the protection of European IPR will have the necessary critical mass and a catalytic effect on the European suppliers. A clear R&I roadmap at European level provides a unique opportunity for industry, including SMEs, to participate in the co-design and development of such new technologies and systems, and to develop IPR and solutions to be further used in their business endeavours. EUROPEAN COMMISSION (EC) The EuroHPC initiative would solve the current complexity of implementing the HPC activities through two different ***programmes*** (CEF and H2020) and three different H2020 WPs (FET, LEIT-ICT and Research Infrastructures). The EuroHPC entity will provide a single structure and financial framework to coordinate the different activities in synergy. Most importantly, it will provide a single forum for ***strategic*** discussions with the MS and leverage EU and national efforts and resources. The EuroHPC entity will also be a privileged interlocutor for institutions, agencies and bodies addressing critical scientific, industrial or social-impact areas. It will become a focal point for better supporting the EU policy development and implementation in areas like digitising industry (DSM), security, and many other related to societal challenges. SUPERCOMPUTING CENTRES The EuroHPC entity will provide the appropriate frame to strategically ***plan*** for the further development and the federation of supercomputing centres at European, national and regional 22 level. The joint structure will avoid redundancies and will exploit complementarities with a European-wide ***planning*** of the different architectures across Europe (for example avoiding isolated and uncoordinated procurements that may end up in dependencies on single vendors and technological suppliers). EuroHPC also provides the opportunity to fully exploit the world-class HPC infrastructure and human resources of the European supercomputing centres in a synergetic way, encompassing the co-design and integration of technology with a coordinated procurement of supercomputers at European level. CITIZENS EuroHPC will ensure that world-class HPC resources and data are available for applications that are of direct interest for citizens. Given the inter-disciplinary nature of HPC and the wide range of scientific and industrial applications that will be made available at EU level, citizens will benefit from an increased level of resources provided by EuroHPC in areas like:  Health, demographic change and wellbeing  Secure, clean and efficient energy  Smart, green and integrated urban ***planning***  Cybersecurity  Weather forecasting and Climate change  Food security THIRD COUNTRY ACTORS Successfully building a European HPC ecosystem will have an effect on the non-EU supply industry. The focus on the new instrument to ***produce***, co-design and take-up of European technology in the next generations of European supercomputers will make EU technology more competitive. This will eventually decrease the market share of non-EU HPC components and systems in Europe, potentially worldwide. The increased protection of European IPR resulting from the R&I ***programmes*** supported by the EuroHPC, may stop the current situation of non-EU suppliers taking advantage of EU ***programmes*** to export the resulting IPR and improving their domestic developments. Provided access conditions on equal terms becomes a global practice, the European HPC resources could become attractive for scientists from outside the EU, sending their data for processing to Europe. The risk Europe currently faces with losing its data sovereignty may thus be reversed. 2.5 How would the problem evolve? There is an arms-race world-wide to develop and operate ever more powerful supercomputers. This is driven by the ***strategic*** importance for a nation and an economy for top-level computational power, but also driven by the growing demands of the scientists to solve ever more complex problems. The renewal of a machine every 5 years at the end of its lifetime increases the costs for the development, installation and operation of the machine by a factor two. The costs have now grown to an extent that they have become prohibitive for most market actors, including for most national governments in Europe. The effect has started to show as Europe is slowly dropping out of the first league of supercomputers. After a height of four machines ranking in the top 10 most performing supercomputers worldwide in 2012, the number has been steadily decreasing since, until EU based machines dropped out altogether from the top 10 list in 2017, despite recent acquisitions/upgrades at several sites across the EU. Without an increased effort to invest more or more efficiently, for example by pooling 23 resources in Europe and coordinating acquisition ***planning***, this trend will continue and accelerate. According to the IDC study on High Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy19 '… High-end supercomputers at national centres in Europe, the U.S , and Japan (but not China) are regularly oversubscribed – the demand for computing cycles typically exceeds the supply by a factor of two to three. European high-end supercomputers are no exception…'. The demand for HPC is expected to increase considerably in the coming years, for example as more and more users, in particular SMEs, become part of the digital economy and make use of HPC for their business processes. This is paired with a hunger for higher computing power as the applications increase in complexity and include big data analysis. The gap between demand and supply of the most performant computing facilities will thus increase. A growing gap of available computing performance will motivate more and more European scientists to implement their calculations outside Europe. Europe thus runs the risk of losing control of its scientific data, but eventually also the brain drain of its scientists as they move closer to the computing facilities. The situation is similar for the industrial users who will not renew their service contracts with European supercomputing centres, but replace them with contracts outside the EU in order to stay competitive on a global market. The move of the users outside Europe would have a cascading effect on the supercomputing skills in Europe. Indeed, the supercomputing centres work closely with the users, equipment suppliers and ***program*** developers to adapt the applications to the architecture of the supercomputers and optimize the use of computing resources. This co-design approach is essential for an effective exploitation of the supercomputers and requires a profound understanding of the machine's architecture and behaviour. Breaking this co-design chain will gradually erode the skills of the supercomputing centres to offer competitive computing services as they would not be involved in the design of the most powerful machines. Ultimately, Europe runs the risk to lack the competences to design and operate exascale machines and offer computing services to the most demanding applications. The European suppliers with the competences and financial resources to provide the European market with the required machines, without public ***intervention*** hesitate to take the risk to invest in this field. Indeed, the market size of high-end machines is very small, maximum 100 machines per year worldwide but mostly in very closed and inaccessible markets for European vendors. The situation is identical for the European competitors in the USA, China and Japan. Those countries have already declared HPC to be a ***strategic*** priority for their country. As a consequence their governments fund ***programmes*** to develop national HPC ecosystems and work on the deployment of exascale supercomputers. As a consequence USA vendors (with new Chinese players) will continue to dominate the market. If no effective measures are taken to bring the EU back in the HPC race with EU technology, the dependency of Europe on non-EU suppliers will continue to grow. Otherwise the industrial base of European suppliers will continue to decrease as the companies either stop their HPC products (e.g Eurotech), or do not find sufficient market share to survive. As a consequence the European HPC ecosystem will further erode. The dominant suppliers like Intel, due to their market share, are dictating the prices and are gradually pushing European competitors out of the market. Initially those suppliers were in essence supplying the cores of the supercomputers, giving European suppliers the possibility to provide the other components (e.g interconnects) and integrate them in the computing boards. Gradually the dominant suppliers started to provide the other components too, proposing complete solutions. The procurers of the machines on one hand have less and less 24 the choice to include components from European suppliers as the solutions offered by dominant suppliers provide less and less integration possibilities. In the absence of a European supplier of the computing cores, the procurers are becoming more and more dependent on complete packages, limiting their possibility to co-design the machines according to their needs. Moreover, there is a risk that due to certain ***strategic*** or political decisions, such as export restrictions, sooner or later Europe will not have access to the most competitive and innovative technology, exacerbating the gaps described above. Therefore, to mediate the risks, the European HPC strategy has identified an action to develop one of the critical components of the exascale machines, i.e the multipurpose low power processor. 3. WHY SHOULD THE EU ACT? 3.1 Why do we need to act now? The problems and risks detailed in the previous section require urgent action at European level. Our world competitors massively fund ***programmes*** to develop national HPC ecosystems and work on the deployment of exascale supercomputers, with a particular focus on the development of indigenous HPC supply chains that are essential for economic development and for security and safety. To stay competitive in the HPC race Europe needs to acquire exascale supercomputers by 2022/23 and develop its technology supply chain that guarantees access to latest HPC systems. To reach the target the work has to start now, since a development cycle typically takes 5 years. USA, China and Japan have also set 2022/23 as a target date. From the drawing board to the operational machine, the different components have to be developed and then integrated into the machine. An intermediate, key milestone is the development of the pre-exascale machines by 2020, where the initial design will be validated and the prospects of reaching the exascale target will be assessed. Any delay in the acquisition of the pre-exascale would equally delay the development of the exascale targets. Without more investments in the years 2018-2020 there is the risk that the pre-exascale target cannot be met, jeopardizing the longer term objective of the exascale machines. The EU funds to acquire the pre-exascale machines and develop its ecosystem are available now (EUR 486 million, already committed in H2020 and CEF WPs 2019-2020 to HPC activities). There is also evidence from several MS/AC (at least those which signed the EuroHPC declaration) that they are prepared to commit similar funding levels in the same period to implement the joint EuroHPC activities. Setting up a self-standing EuroHPC entity in 2019 will ensure that Europe takes action in a timely and coordinated way, with joint investments in leading-edge HPC technology and infrastructures. It would allow Europe to acquire world-class pre-exascale machines and stay competitive in leading scientific and industrial applications for the period 2020 to 2025; and, equally important, to build in Europe the necessary ecosystem to develop competitive European technology for the pre- and full exascale computing era. In an eventual support of the EuroHPC entity under the next MFF, this would allow to continue its operations and in particular to: procure and deploy two world-class exascale machines (based on European-funded technology); support the development of ambitious extreme scale applications for public and private users and of HPC skills; and, continue to support R&I activities, notably a competitive low-power European microprocessor and post-exascale HPC machines and their linking to the first quantum computing infrastructures that would have been developed under the Quantum Technologies FET Flagship. 25 3.2 The right to act at EU level The fragmentation of public HPC services across the EU and within MS leads to inefficient use of resources and only partial cross-border exchange of expertise. The increasing costs of building and maintaining HPC infrastructures require stronger governance at EU level and the rationalisation of HPC resources to reduce the current fragmentation. HPC is an essential instrument to address societal challenges like health and security. Both are policies of shared European interest, as exemplified in the NIS Directive28 or the Cybersecurity Communication29, addressing issues that do not stop at national borders. The level of security or the quality of public health in one MS depends from the situation in the rest of the EU. HPC is fundamental to build the data economy. Controlling how the data is used, who has the ownership and right for exploitation, where it is stored, and who has access to it are sensitive issues. It touches commercial and copyright issues, but also data protection and privacy issues. All these issues have been identified as political priorities in the Digital Single Market (DSM). Sending sensitive European data for processing in other regions of the world, where the high European standards of privacy, data protection, copyright, etc. are not necessarily respected, undermines the intention to gain sovereignty on European data and its exploitation. The scale of the resources that are needed to realise a sustainable exascale level HPC infrastructure and ecosystem is beyond what national governments can nowadays afford to invest. No single Member State has the financial means to acquire exascale computing capabilities and develop, acquire and operate the necessary exascale HPC ecosystem on its own and in competitive time frames with respect to the USA, China or Japan. Member States and national actors have now realised that they will only be able to remain competitive through a joint and coordinated EU-wide effort – c.f the EuroHPC declaration of 23.03.2017 This justifies the right for the EU to act in the field of HPC under Article 179 that states that 'The Union shall have the objective of strengthening its scientific and technological bases by achieving a European research area in which researchers, scientific knowledge and technology circulate freely, and encouraging it to become more competitive, including in its industry, while promoting all the research activities deemed necessary by virtue of other Chapters of the Treaties'. In addition, Article 187 TFEU gives authorisation to 'set up joint undertakings or any other structure necessary for the efficient execution of Union research, technological development and demonstration ***programmes***'. 3.3 Subsidiarity Knowledge and resources available in Europe need to be put together for the building of a leading edge HPC ecosystem across all value chain segments. National resources alone are insufficient. EU coordination of investments and resulting services is necessary in order to have HPC computing and data infrastructures as well as a full HPC ecosystem in Europe on a par with the USA, China or Japan. The importance of HPC for science, and the public and private sectors has grown in recent years together with the exponential rise in the investments required to stay globally competitive. This has led to a common understanding that the 'Europeanisation' of this domain via a shared infrastructure and common use of existing capabilities would benefit everyone. This also applies to Member States with difficulties in creating self-sufficient 28 OJ L 194, 19.7.2016, p. 1–30 29 JOIN(2017) 450 final 26 national HPC infrastructures whereas they can make valuable contributions to and benefit from federated and interconnected EU-level HPC capabilities. Cooperation exists already in some areas among Member States, industry and science actors. Examples include PRACE, the HPC cPPP, the Big Data PPP and GÉANT. EuroHPC builds on them as the key investors in the EuroHPC signatory countries are already represented there. There is however a need for a legal and financial framework closing the chain from R&D to the delivery and operation of the exascale HPC systems co-designed between users and suppliers. Such new framework would support the development of a pan-European HPC and data infrastructure built on European technologies, allowing the blending of different EU financing sources with national and private funding. It would stimulate joint investment to cover the ever increasing costs of building and maintaining world class HPC and data infrastructures and to optimise a number of important procurement factors, such as ***strategic*** ***planning*** for funding of top-level systems, user's coverage, diversity of systems architecture, etc. Ultimately, it would permit to build-up a critical mass in the HPC market to foster a true European HPC ecosystem that encourages and supports a competitive European HPC supply industry. As described in the introduction, political support from Member States on EuroHPC has already been explicitly given by the Council, by the signatories of the EuroHPC Declaration, and by the European Parliament. 3.4 EU added value The proposed initiative represents a natural candidate for European action with the EU and Member States implementing the EuroHPC strategy via the most appropriate legal instrument. It is only by acting at EU level that we will be able to pool together the necessary effort and create the critical mass needed to acquire leading next generation exascale systems which are in the order of hundreds of millions of Euros. Only by working at EU-level and combining investments, knowledge and skills Europe has a chance to keep-up to its competitors. At the same time, pooling the investments to jointly acquire exascale machines will create significantly higher return-on-investment (ROI) for each of the partial-owners of the machines, than the ROI of the full ownership of a lesser performing machine.30 Availability of top class HPC systems would enable European players to further develop a whole range of present and future scientific and industrial applications that would require exascale performance. It would permit funding the HPC related research and developing the necessary expertise, skills and capabilities for ***programming*** such systems efficiently and exploiting their full potential. And, most importantly, it will enable all European scientists, public administrations and industry to access this infrastructure and foster a wide range of cross-border collaboration and new products and services. Finally, by pooling the fragmented knowledge and the expertise existing all around, Europe can build the full supply chain for HPC systems: from technology components and systems to full machines. These are at the same time essential technologies in a variety of other mass markets (such as automotive, consumer electronics, servers, etc.). The transition to exascale computing, supported by joint EU/MS investments acting as lead market users, would provide 30 IDC special study 2016 'Investigation of the Ripple Effects of Developing and Utilizing Leadership Supercomputers in Japan: The Scientific and Financial Returns from the K Computer and Possibilities from the Post-K Computer' 27 an opportunity for the European supply industry to leverage on such investments and get access to new markets estimated to EUR 1 trillion. Overall, the creation of a globally competitive HPC environment in Europe, triggered by public ***intervention***, creates goods and services that are of a truly public value for European science and industry: It will help the private and the public sectors to create leading-edge science, technologies and solutions benefiting all areas of the economy and society, contributing to the EU's objectives of economic growth, jobs and competitiveness. 4. OBJECTIVES: WHAT SHOULD BE ACHIEVED? 4.1 Overall objectives of the EuroHPC entity and instrument To address the problems identified in section 2, we propose to establish a new legal and financial instrument that would permit to implement the joint EuroHPC entity. Its overall mission would be to provide European scientists, industry and the public sector with the latest HPC and data infrastructure and support the development of its technologies and applications across a wide range of fields. The (EuroHPC) instrument would have to address the following three overall objectives: 1. Support a joint procurement framework for an integrated world-class exascale supercomputing and data infrastructure in Europe. Such infrastructure will be accessible on a non-economic basis to public and private users for publicly funded research purposes31; 2. Ensure a EU level coordination and adequate financial resources to support the development, procurement and operation of such a public infrastructure; 3. Support the research and development of an integrated European HPC ecosystem, covering all scientific and industrial value chain segments (hardware, software, applications, services, interconnections and skills). 4.2 Functionalities of the EuroHPC instrument To reach its objectives, the EuroHPC instrument has to meet several functional requirements: [Pooling together public and private resources] The legal instrument would have to support the joint procurement and operation of a European HPC infrastructure as well as R&I activities for the development of European HPC technology and excellence in applications. To reach the necessary investment levels to meet its objectives, the instrument has to make possible the pooling of public funds (from the EU and the MS/AC), as well as financial or in-kind contributions from the private sector. The Union's financial contribution would come from the budgets already allocated to H2020 and CEF WPs in 2019 and 2020. Those funds would have to be matched by a similar amount from the MS and AC, as well as by the private sector. [Procuring HPC machines] The legal instrument should enable the EuroHPC entity to launch calls for tender to acquire the pre-exascale machines and select the successful tenderers. As EuroHPC is a joint initiative it would act as trusted manager of the procurement process on behalf of all participating countries. To reduce the administrative burden the legal instrument should permit the application of European procurement rules. Ideally, the legal instrument should allow an exemption from VAT to reduce the overall cost of the systems to be procured. [Openness to new partners] The legal instrument would have to allow new MS/AC to join 31 HPC services to industry for private use may also be provide under commercial conditions. 28 the EuroHPC entity upon their request, subject to their financial commitment. EuroHPC could then start with a core group of participants that are ready at the launch of the instrument and gradually accept new members. [Enabling participation of the private sector] for defining and implementing the EuroHPC ***strategic*** R&I and application development agenda, stimulating large private investments in the field… while mitigating any eventual conflicts of interest in public procurement processes: While enabling private participation would be fundamental, the EuroHPC instrument would also have to make possible to include provisions for avoiding conflicts of interest, notably by making sure that there is no interference of the participating technology supply industry neither in the joint public procurement process of the pre-exascale machines nor on how the public funds are spent. [Implementing a R&I ***programme*** which can address the present ***programme*** coordination inefficiencies in implementing the HPC strategy], in particular the difficult coordination and synchronisation of the different H2020 and CEF HPC WPs. This could be addressed by delegating the implementation of the related budget to the EuroHPC (legal) entity. Its governing body could then align the content and the respective timings of the different calls with the HPC ***strategic*** agenda; ensure coherence between the topics of the different calls; and put in place the appropriate funding instruments to reach the objectives, in particular innovation procurement for accompanying the route from European HPC technology development to the procurement of European machines. Furthermore, by using the H2020 rules, the EuroHPC instrument should make it possible to introduce provisions to protect the economic and ***strategic*** interests of the Union, i.e protecting IPRs ***produced*** in the EU and first exploiting in Europe all EU-funded R&I results. [Safeguarding the Union's interest through EC participation] The EuroHPC instrument should foresee the possibility for the EU represented by the Commission to be part of its governance. That would ensure that the EC can play a significant role in the definition of the ***strategic*** orientation and priorities of the EuroHPC entity, and take part in the decisions on how its budget is allocated and spent. In essence, the legal instrument would have to permit a delegation of the EC funds to the legal entity, rather than a co-fund. [Lifetime] The EuroHPC instrument would have to exist until the termination of all its activities that would be launched in 2019 and 2020. Considering the typical duration of the H2020 grants and the typical lifetime of an HPC machine, the legal instrument would have to operate until approximately end 2026. To summarise, the EuroHPC instrument would have to address the following functionalities: Pool public and private funds Execute joint procurements while operating under EU-law (e.g VAT exemption, procurement rules, …) Implement a R&I ***programme*** which can address the present coordination inefficiencies in implementing the HPC strategy Remain open to incorporate new MS/AC willing to join Enable participation of the private sector Safeguard the Union's interest (the Union will be represented by the Commission) 29 4.3 Specific Objectives Considering the general objectives of the previous section within the broader context of the European HPC Strategy, the EuroHPC entity and its related instrument should achieve the following specific objectives, grouped in three pillars. The overall EuroHPC objectives can only be achieved if all the three pillars are implemented, as each of them is necessary to create the European HPC ecosystem. Pillar 1: Infrastructure development, acquisition and operations T1 Procurement and operation of world-class HPC and data infrastructures for European use, in particular aiming at procuring and operating two pre-exascale HPC machines (2020). T2 Interconnecting regional, national and European HPC resources (pre-exascale machines, data centres and associated software and applications) through an HPC and Big Data service infrastructure facility. T3 Providing access to HPC-based infrastructures and services to a wide range of users (scientific and industrial users including SMEs, and the public sector) for new and emerging data and compute-intensive applications and services. Pillar 2: Applications and skills development and a wide use of HPC T4 Achieving excellence in HPC applications through, for example, development and optimisation of codes and applications in a co-design approach, support to Centres of Excellence in HPC applications, and large-scale HPC-enabled pilot demonstrators and test-beds for big data applications and services in a wide range of scientific and industrial areas. T5 Increasing the innovation potential of industry, and in particular of SMEs, using advanced HPC infrastructures and services, for example via dedicated digital innovation hubs. T6 Outreach and training actions for attracting human resources to HPC and increasing skills and engineering know-how of the EuroHPC ecosystem. Pillar 3: Research & Innovation agenda for European technology & know-how development T7 Developing the next generation of key HPC technologies and systems towards exascale addressing the whole European technology spectrum from low-power microprocessors and related technologies to software, algorithms, ***programming*** models and tools, to novel architectures and their system integration through a co-design approach. 5. AVAILABLE POLICY OPTIONS 5.1 Option 0: Baseline from which the policy options are assessed The HPC strategy is implemented at EU level mainly via H2020 and CEF: 30  The development of the European HPC technology is addressed in the H2020 FET and LEIT-ICT WPs, from the research of the underlying concepts up to their integration; including the co-design and prototyping of HPC machines. The EC is supported by the cPPP (ETP4HPC) which submits every year its ***strategic*** research agenda (SRA) to the EC. The SRA provides the long term ***planning*** of activities necessary each year to reach the objectives of building a world-class HPC technology supply chain in Europe, including an estimate of the required budgets. Based on this input the EC then drafts the relevant work-***programmes***.  The development of the HPC infrastructure is addressed in the H2020 Research Infrastructures and CEF WPs. The EC provides funding to facilitate access of European scientists to the Tier-0 machines operated by PRACE. This includes financial support to the additional services PRACE provides to the user communities, complementing the work of the HPC Centres of Excellence (CoE).14 While PRACE is an organisation independent from the EC, the CoEs are a creation of the EC and are almost exclusively funded from the H2020 budget. Due to the different nature of the HPC activities funded by the EC, their difference in scope, and annual budget limitations, the activities are implemented in four different WPs: FET, LEIT-ICT, Research Infrastructures and CEF, each with its own selection process and timing. The EC publishes open and competitive calls for proposals. Any beneficiary eligible for H2020 funding can apply, irrespective of whether it is member of the HPC cPPP. For the period 2018-2020, around EUR 110 million have been committed for HPC activities in CEF and another EUR 640 million in H2020. The R&D projects funded through the H2020 calls are generally reaching their objectives (as this is acknowledged by the project reviews carried out by independent experts) and contribute to establishing the European HPC ecosystem. However, as mentioned in section 2.2, today the EC has difficulties in implementing coherently and effectively the HPC research roadmap because its activities are funded through four different WPs of H2020 and CEF; and there is a lack of continuity in supporting research teams from R&D components to systems development and integration and ultimately to innovation. The current implementation has also weaknesses with respect to the protection of the IPRs. The H2020 calls are open to any legally established legal entity, based in a MS or third country. As non-European entities can participate in H2020 grants, either directly, or through their European subsidiaries, R&I results are often transferred and exploited out of the EU. The H2020 Grant Agreement includes optional provisions to protect the European interests such as Article 30.3 which requires beneficiaries to notify the EC before they transfer the results and gives the EC the right to object. This option is validated by default for the running and upcoming H2020 HPC projects. Any further measure to protect the European IPR is unlikely to be implemented before the end of H2020, as this would require an amendment of the H2020 rules for participation. Could the shortcomings of the baseline scenario be effectively addressed by revising the existing instruments, i.e amend the mandate of the HPC cPPP, extend the mission of PRACE, or evolve the H2020 rules and procedures? PRACE provides the most powerful supercomputers in Europe but PRACE does not aim to coordinate national ***programmes*** or investments in the procurement of HPC systems. PRACE was created in 2010 and a new agreement entered into force in 2016/2017. With the new agreement, there is a small financial contribution to PRACE of the members not hosting a Tier-0 machine. Eventually a new agreement could be negotiated to include the Union, represented by the EC, as a member; a coordination of the procurement; and a revision of the 31 governance. However this is unlikely to happen because: (i) the hosting countries will continue to protect their national interests and not lose control over their Tier-0 supercomputers; and (ii) the PRACE machines are owned by the Tier-0 hosting countries and are designed and developed to primarily satisfy national research needs, in accordance with the relevant national strategies and ***programmes*** and do not necessarily cover wider European user needs. The mandate of the HPC cPPP is limited in time and is foreseen to be revised after 2020. The cPPP is playing a valuable role in defining and implementing the HPC ***strategic*** research agenda and leveraging private funding. One of its weaknesses is that its membership is open to non-EU actors. As a result the dominant, non-EU suppliers are today part of it, influencing the definition of the H2020 workprogrammes. This makes it more difficult for European market actors to develop European technology that finds its way into the subsequent procurement of machines. Finally, the use of different H2020 and CEF WPs for HPC and their challenging coordination can only be resolved by a revision of the H2020 Regulation, by integrating them into a single pillar. Such revision is not feasible any more. Even if it this was the case, it would resolve coordination of H2020 activities but not the coordination with CEF. Therefore, this option does not allow neither the pooling and efficient synchronisation of the EU investments (as they are split across multiple ***programmes*** and areas), nor the coordination of the EU activities funded by the EU budget with those of the MS. This kind of approach already proved to be insufficient in bringing about an EU-wide HPC ecosystem as this is also reflected in the 2017 EuroHPC Declaration by MS and further validated by the findings of the EuroHPC targeted consultation. Fragmentation of HPC ***programmes*** and efforts in Europe and the lack of coordination of activities was the main problem for the computing centres and the scientific users that responded to the public consultation. 5.2 Options considered for implementing EuroHPC but discarded at an early stage Option: EEIG The European Economic Interest Grouping (EEIG)32 is a cooperation form, similar to national consortia, but ruled mainly by European law. That means its core rules are common throughout the whole EU, and national rules are required only for a few issues (e.g nullity, dissolution, some profiles of a grouping's administration). An EEIG is a type of legal entity designed to make it easier for companies in different countries to do business together or to form consortia to take part in EU ***programmes***. A main usage of this supranational type of enterprise is to facilitate co-operation in European ***programmes*** especially for small and medium-sized enterprises (SMEs). The EEIG differs from other companies first and foremost in its purpose. It is supposed to help its members to develop or improve their own fields of activity. Thus, the EEIG can be used to develop certain common activities which would be too expensive for single members. Because of this auxiliary nature the activity of an EEIG has to be connected to the economic activity of its members. Not only SMEs, but basically every company or firm and all institutions governed by public or private law can be a member of an EEIG. 32 Legal basis for the EEIG is Regulation No. 2137/85. The implementation of some provisions was deferred to Member States; each state passed implementation laws which rule certain matters relating to groupings and set up the necessary rules for the registration of groupings. EEIGs thus are harmonised as they refer to one single law, the EC Regulation, which is equal for all Member States. 32 The EEIG is eligible to participate in procurement procedures. However, the EEIG can only participate as a beneficiary. It cannot coordinate the procurements of the EC and the MS, nor can it implement a joint procurement. The procurement would still have to be implemented by the MS and/or the EC. As the EEIG has full legal capacity, its participation in EU R&I projects as partner or coordinator is possible. The EEIG is eligible to receive community funds. However, this option does not effectively address the problem of fostering the supply of European technology. As in the baseline scenario, the EEIG would be in competition with non-European applicants for the H2020 calls. Also the problem of ensuring continuity of the actions between subsequent calls remains as well as the problem that the EC has with the synchronisation of HPC investments under different H2020 and CEF WPs. Option: Galileo-type ***programme*** In a Galileo-like ***programme*** the EU has the sole ownership of the ***programme*** and delegates its implementation to a separate legal entity. In discussions with the EuroHPC signatory countries, they have clearly expressed their preference for a legal instrument where they would have co-ownership of the activities, in particular for the procurement and operation of the EuroHPC machines. The legal basic act setting up the Galileo-like ***programme*** would have to be followed by a delegated act to a legal entity for its implementation. The overall process is expected to take around 3 years. Such timing is incompatible with the EuroHPC ***plans*** as discussed above, making it impossible for the EuroHPC to reach the targets set for jointly procured pre-exascale systems by 2019-2020. It would also highly compromise all the longer term ***plans*** in developing and procuring exascale systems based on European technology by 2022/2023. Option: Intergovernmental organisations An intergovernmental organisation like the European Space Agency (ESA) is an agency established by a convention between its participating states, establishing a joint ***programme*** between Member States. The Member States signing EuroHPC have not proposed the creation of an intergovernmental organisation and the EC does not have the right in the Treaty to put forward such a legal form in a regulation. The EC can only participate in joint activities after negotiating a Cooperation Framework. As the EC would not be part of the governance the EC would have a limited influence on the definition of the calls for funding the joint activities, nor would the EC have a say on the acquisition and operation of the supercomputers. Finally, establishing such an organisation is unlikely to be operational by 2019, when the activities of the new legal entity have to start, as discussed above. In summary, this option would not lead to a legal entity that can jointly procure and operate HPC machines. The following table compares the baseline scenario and the discarded options against the functionalities which the new legal instrument should fulfil. As can be seen, none of them fulfils all the functionalities. 33 Baseline Scenario EEIG Galileo-type Intergovernmental Organisation Pool public and private funds 0 0 0 0 Execute joint procurements while operating under EU-law 0 0 OK 0 Implement a R&I ***programme*** OK maybe 0 OK Remain open to incorporate new MS/AC willing to join OK 0 0 OK Enable participation of the private sector OK OK OK 0 Safeguard the Union's interest through EC participation OK 0 OK 0 5.3 Option 1: ERIC The Community legal framework for a European Research Infrastructure Consortium (ERIC) is a specific legal form to facilitate the establishment and operation of research infrastructures33 with a clear European interest and the involvement of several European countries.34 The principal task of an ERIC is to establish and operate a research infrastructure on a non-economic basis. An ERIC can be used for establishing new research infrastructures or for operating existing research infrastructures which consider it useful to change their legal structure to become an ERIC. The ERIC can thus interconnect and federate regional, national and European HPC resources provided the research infrastructure meets the requirements set out in the ERIC regulation. The ERIC can provide the management of the coordination between the infrastructure and existing national computation resources and also, if agreed, regional computation resources. The ERIC framework has been developed primarily for new high-profile research infrastructures with a European dimension.35 Complementing national and inter-governmental schemes, the ERIC Regulation provides a common legal framework based on Article 187 TFEU. The ERIC has legal personality and full legal capacity recognised in all MS. Although an ERIC can be the beneficiary of H2020 grants, its current mandate does not allow it to get delegation to implement part of the H2020 ***programme***. Therefore the ERIC would 33 According to Article 2(a) 'Research infrastructure' means facilities, resources and related services that are used by the scientific community to conduct top‑level research in their respective fields and covers major scientific equipment or sets of instruments; knowledge‑based resources such as collections, archives or structures for scientific information; enabling Information and Communication Technology based infrastructures such as Grid, computing, software and communication, or any other entity of a unique nature essential to achieve excellence in research. 34 Council Regulation (EC) No 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC), OJ L 206, 8.8.2009, p.1 35 ERIC examples are the Integrated Carbon Observation System (ICOS ERIC), the European Multidisciplinary Seafloor and Water Column Observatory (EMSO ERIC), the Central European Research Infrastructure Consortium (CERIC ERIC). 34 not be able to define a ***strategic*** R&I agenda and implement it, but would depend on the H2020 WPs defined and implemented by the EC. ERIC's basic internal structure is flexible, leaving the members to define the statutes, membership rights and obligations, as well as the bodies of the ERIC and their competences, while complying with the essential requirements provided for in the ERIC Regulation. The members of an ERIC can be MS, ACs, third countries other than the AC and intergovernmental organisations. The EU represented by the Commission may participate in an ERIC. However, the EU participation as a full member in the ERIC and the way it would make available its financial contribution are currently not foreseen36 and would have to be defined in some way. While the ERIC Regulation leaves open the possibility of the EC (as an international organisation) to become a member of an ERIC and to contribute through its membership to the ERIC, this has not been the case in any of the 17 ERICs that have been established until now. In practice, the participation of the EC in an ERIC in whatever form would create a situation of conflict of interest whenever the ERIC would participate in calls from EU ***programmes***, as the EU would both be allocating budgets for the ERIC from EU ***programmes*** (notably H2020 and CEF) and would be co-responsible in a wise spending of such funds. The participation of industry is not foreseen in an ERIC. An ERIC as such is also closed to private funding, in turn restraining the participation and financial contribution by industry players to any future initiative. This is because the principal task of the ERIC is to establish and operate on a non-economic basis37. In principle, ERICs are not designed to pool resources from the EU and MS but mainly from the MS themselves. Likewise, it would make it difficult for an ERIC to implement a joint EU/MS procurement. An ERIC is recognised by the country hosting its seat as an international body or organisation for the purposes of the directives on VAT and excise duties.38 It also qualifies as international organisation for the purpose of the directive on public procurement.39 An ERIC may therefore, 36 Council Regulation (EC) No. 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC) – Recital (6): 'In contrast to Joint Technology Initiatives (JTI) constituted as Joint Undertakings of which the Community is a member and to which it makes financial contributions, a European Research Infrastructure Consortium (hereinafter referred to as ‘ERIC’) should not be conceived as a Community body within the meaning of Article 185 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ( 1 ) (the Financial Regulation), but as a legal entity of which the Community is not necessarily a member and to which it does not make financial contributions within the meaning of Article 108(2)(f), of the Financial Regulation. 37 See Recital (8) of Council Regulation (EC) No. 723/2009: 'An ERIC set up under this Regulation should have as its principal task the establishment and operation of a research infrastructure on a non-economic basis and should devote most of its resources to this principal task. In order to promote innovation and knowledge and technology transfer, the ERIC should be allowed to carry out some limited economic activities if they are closely related to its principal task and they do not jeopardise its achievement. The establishment of research infrastructures as ERICs does not exclude that research infrastructures of pan-European interest that have another legal form can equally be recognised as contributing to the progress of European research, including to the implementation of the roadmap developed by ESFRI. The Commission should ensure that ESFRI members and other interested parties are informed about these alternative legal forms. 38 Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to 39 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC 35 under certain limits and conditions, benefit from exemptions from VAT and excise duties on its purchases in all EU MS and it may adopt procurement procedures respecting the principles of transparency, non-discrimination and competition but not subject to the directive on public procurement as implemented in national law. The advantage of the ERIC is that it can be setup with a rather lightweight and fast process. This would give confidence that by 2019 the ERIC would be operational and could implement, at least partially, the objectives of the HPC strategy. However, this would not solve some of the present shortcomings of the baseline scenario, like the difficult synchronisation of calls. To include in the mandate of the ERIC the possibility to implement H2020 calls on behalf of the EC this would require a revision of the ERIC regulation, which in turn is a lengthy process. Based on the above arguments, the table below summarises how the ERIC responds to the functional requirements the EuroHPC instrument should fulfil: ERIC Pool public and private funds ERICs are designed to pool resources mainly from the MS Execute joint procurements while operating under EU-law The EU participation as a full member in an ERIC is not foreseen, but under certain conditions the EC may participate. Joint EC/MS procurement is difficult Implement a R&I ***programme*** Current mandate does not allow ERIC to get delegation to implement part of the H2020 ***programme*** Remain open to incorporate new MS/AC willing to join OK Enable participation of the private sector Industry cannot become member of an ERIC Safeguard the Union's interest through EC participation The EU participation as a full member in an ERIC is not foreseen, but under certain conditions the EU may participate 5.4 Option 2: Joint Undertaking A Joint Undertaking (JU) is a Union Body established under Art 187 TFEU40, which can be used for the indirect management of the EU budget.41 A JU is therefore an autonomous EU legal entity, with its own staff, budget, structure, rules and governance that can be tasked to implement actions under ***programmes*** such as H2020 and CEF. It can combine EU budget with other sources of funding (national, private, etc.), allowing the implementation of R&I and demonstration ***programmes*** in an integrated way. Public authorities at different levels from the MS (national, regional), the Union represented by the EC and other stakeholders like industry can become members of a JU. JUs have been used in FP7 and H2020 to establish the Joint Technology Initiatives (JTIs): Public-Private Partnerships (PPPs) that define and implement the ***Strategic*** Research Agendas (SRAs) of a limited number of areas where the scale and scope of the objectives is such that 40 A JU is established by a Council Regulation, taking into account the opinion of the European Parliament and the European Economic and Social Committee. 41 In accordance with Art 58.1(c)(iv) of the Financial Regulation (FR) 36 loose co-ordination through European Technology Platforms (ETPs) and support through the regular instruments of the Union's Research Framework ***Programme*** are not sufficient. According to their founding regulations JUs have their own governance structure but can also share some functions (e.g internal audit) with other already existing JUs for efficiency reasons. Each JU includes a Governing Board, an Executive Director as well as other bodies, including advisory bodies, depending on its specific operational and governance needs. JUs have a dedicated budget and staff and provide a framework for the public and, when appropriate, private players to work and take decisions together. They can organise calls for proposals and put in place implementation arrangements. They thus allow funds from different sources to be jointly managed and they are responsible for the related ***planning***, monitoring and reporting activities. JUs can also carry out procurement procedures. Each JU has its own procurement and financial rules adopted by the Governing Board, based on the Union's model Financial Regulation. Established as a Union body, a JU can benefit from VAT and excise duties on its purchases in all EU MS and may adopt procurement procedures not subject to the Directive on public procurement as implemented in national law. JUs provide the legal, contractual and organisational framework to structure the joint commitments of public and private stakeholders and monitor the implementation against agreed Key Performance indicators (KPIs). In addition, they offer a firm governance structure and budgetary certainty to all stakeholders. JUs offer the possibility of joint activities between MS and the EU, allowing to keep e.g MS/AC participation flexible according to country-specific priorities. Nevertheless, there is co-responsibility in the strategies and modes of implementation chosen. A report of the Estonian presidency42 reflected the very positive view that industry partners and researchers express on this kind of PPPs. The report indicates that such partnerships are a good instrument for strengthening the industrial base of Europe by connecting the European ecosystem to global companies and by encouraging good quality industry-led research which enables the EU to remain competitive and a leader in innovation and technology. There are several good reasons to establish a JU in the area of HPC: (i) the added value of the combining EU and national funding; (ii) the coordination and rationalisation of procurement and R&I investments at European level; (iii) the possibility to safeguard the Union's interests as the EU can be member of the JU, by exerting its decisional powers in the JU Governing Board; (iv) the possibility to combine innovation procurement instruments (PCP and PPI) to fund the development of innovative European technology and procure afterwards this technology; (v) the possibility to protect the Union's economic interests (by activating the option provided for in Article 30.3 of the H2020 Model Grant Agreementrestricting the transfer of IPRs and Article 28 to first exploit the project results in the Union). The ECSEL JU43 is a good example for establishing and operating a JU in HPC. ECSEL has just been the object of an interim evaluation by an independent expert panel which concluded that the combination of EU, national and private investments under a single R&I scheme optimises the leverage of public funding and ensures a strong alignment of effort along a 42 'Increased coherence and openness of European Union research and innovation partnerships'. Final Report, Republic of Estonia Government Office, Technopolis group, June 2017,   [*http://www.technopolis-group.com/report/increased-coherence-openness-european-union-research-innovation-partnerships/*](http://www.technopolis-group.com/report/increased-coherence-openness-european-union-research-innovation-partnerships/) 43 ECSEL (   [*http://www.ecsel-ju.eu/*](http://www.ecsel-ju.eu/)) attracts the industry and research community in the semiconductor and embedded systems domains, OJ L 169, 7.6.2014, p. 152–178. 37 unified European strategy. Over the years 2014-2016, the EU has invested in ECSEL EUR 460 million out of a total of EUR 1.2 billion until 2020. This has leveraged roughly the same amount of national funding and a double amount of funding from industry (corresponding to an EU funding leverage factor of 4.26). ECSEL JU is clearly recognised as successful in attracting the best European players in the semiconductor and electronic components and systems domains and has so far been instrumental in structuring the sector in Europe around a common SRA. A similar effect is expected with the EuroHPC JU. It is to be noted that the EC (DG CNECT) has an extensive experience acquired in the establishment and operation of the ECSEL JU, which can be used in setting up and running the EuroHPC JU. Based on the arguments presented above the table below summarises how the JU responds to the functional requirements of the EuroHPC legal and financial instrument: Joint Undertaking Pool public and private funds Can combine EU budget with other sources of public and private funding Execute joint procurements while operating under EU-law Can carry out joint procurement - is recognised by the country hosting its seat as an international body or organisation for the purposes of the directives on VAT and excise duties Implement a R&I ***programme*** JU is a Union Body established under article 187 TFEU and can be tasked to implement actions under ***programmes*** such as H2020 and CEF Remain open to incorporate new MS/AC willing to join OK Enable participation of the private sector Industry can participate in the JU Safeguard the Union's interest through EC participation The EU represented by the Commission can be member of the JU and exert its decisional powers in the JU Governing Board 38 6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS? This section analyses the economic, environmental and social impact of the options in line with the Better Regulation Guidelines together with the coherence with other policy and the views of stakeholders. 6.1 Option 0: Baseline scenario Effectiveness Pillar 1: Infrastructure development, acquisition and operations H2020 has a dedicated instrument for innovation procurement that sets the EU financial support at maximum 35% of the cost of a procurement action. The experience that the EC has developed when using this instrument for procuring HPC machines in H2020 is that the procurement process should be attractive for the Tier-0 supercomputing centres of the PRACE hosting countries, since these centres are always mandated by the MS to do the national HPC procurements. The following procurement principles were thus agreed and put in place: General specifications of the HPC machines were collectively defined by the supercomputing centres. Customised 'local specifications' were then added by each supercomputing centre to address the specific national user needs of the hosting country. Then these became the basis for each centre to procure its machine. The procured machines are then co-designed with national scientific communities to optimize performance. Overall, such procurement process, while attractive for the supercomputing centres, is not suitable for the European agenda. It is optimized to serve national scientific needs and it results in procuring machines that may not be the most performing ones required at EU level. A different design would not attract supercomputing centres to participate in the procurement process. Once in operation, access to procured PRACE Tier-0 machines is essentially reserved to those MS hosting the machines (~60 to 90% of machine time). The other MSs pay a contribution to the operating costs of the machines to get access, but their scientists have to participate in a peer-review process based on excellence. As already explained in previous sections, there is a high demand and only a small number of applications are satisfied. Furthermore, this peer-review process is not adapted to industrial users because their applications are not necessarily driven by scientific excellence. In conclusion, the baseline scenario is not effective for implementing Pillar 1. Pillars 2 and 3: Research and Innovation and Applications and skills development The H2020 WP 2018-2020 supports well actions for HPC application and skills development through: (i) the HPC CoEs14; (ii) large-scale HPC-enabled industrial pilot test-beds for big data applications and services; and (iii) the Fortissimo-2 project44, providing access of user SMEs to HPC resources. In addition, the CEF WPs support application development for the public sector. The baseline scenario is effective in developing applications and skills and supporting user SMEs (Pillar 2). The H2020 WP 2018-2020 also supports technology and knowhow development through a different set of activities, ranging from fundamental research to the development of prototype systems. The funded R&D projects are generally reaching their objectives and contribute to establishing the European HPC ecosystem. However, as already explained in previous sections, the present way in implementing Pillar 3 is not effective as the funding of its activities is fragmented in two different ***programmes*** (CEF and H2020) and in three different 44   [*https://www.fortissimo-project.eu/*](https://www.fortissimo-project.eu/). Fortissimo Marketplace offers to SMEs a self-service of HPC resources, software applications, expertise and tools, delivered by Europe’s major HPC technology providers. 39 WPs of H2020 (FET, LEIT-ICT and Research Infrastructures). Even if the individual projects are successful and deliver functional components and prototypes, these are rarely integrated later on in the machines that are procured. As a result, the Union's R&D investment does not result in the development of European HPC machines that could be further supported through a lead market perspective. The baseline scenario is thus not effective to implement the EuroHPC strategy and to develop the world-class supercomputers based on European technology. Efficiency / Impact on economy, competitiveness, competition and SMEs The baseline scenario fails to foster a European supply industry of HPC technology and the take-up of the R&D results into commercial products is too limited compared to the R&D investments the Union is making. Moreover, due to the open nature of the H2020 calls non-European industry can directly benefit from the H2020 activities, increasing their competitiveness, which helps them to keep or expand their market share in Europe. The baseline scenario can foster the innovation potential of user SMEs (see above). However, it fails to provide the computing facilities European industry users need. As supported by the stakeholders' survey findings, industry users either have to turn towards machines of lower computing performance than their non-EU competitors, resulting in longer development processes or products of lower quality, or they take their product developments outside the EU to access the computing power they need to stay competitive. In conclusion, the baseline scenario has a limited impact on the economy and on competitiveness, competition and the technology supply SMEs. Social and Environmental Impact The availability of world-class computing capabilities and a high accessibility would accelerate the research on topics of environmental relevance like weather forecast, climate change, ***agriculture***, urban ***planning***, renewable energy production, natural hazard prevention, traffic management, etc. The baseline scenario can have only a limited social and environmental impact since it cannot provide the performance levels and accessibility required to make advances in these fields in pace with the non-EU competitors. Stakeholder support More than 80% of the respondents to the consultation indicated that the current implementation model is insufficient to address the challenges Europe currently faces in HPC and advocate for a new instrument. on the basis of two main arguments:  The level of EU-wide coordination and cooperation of HPC initiatives is currently insufficient in a qualitative and quantitative sense, resulting in a strong fragmentation of individual efforts across Member States, across different stakeholders (e.g industry/science) as well as across current EU-wide initiatives.  Continuing in the current mode of fragmented and insufficient efforts, the EU is relegated against its global competitors (USA, China) in a field as ***strategic*** as supercomputing. 6.2 Option 1: ERIC Effectiveness Pillar 1: Infrastructure development, acquisition and operations 40 ERIC was conceived as an instrument for the MS to jointly establish and operate pan-European research infrastructures on a non-economic basis. Potentially, an ERIC can become a very effective instrument for procuring and operating world-class HPC and data infrastructures for European use. The statutes of the ERIC would also guarantee that all MS will have open access to the ERIC procured machines under conditions announced from the beginning.45 The ERIC would provide free access for researchers and the public sector to the ERIC machines. Access to industry for private purposes would have to be done on a pay-per-use basis at market prices, since ERICs are established to work on a non-economical basis.46 Overall, the effectiveness of an ERIC for procuring and operating HPC machines would depend on how MS would put it in place. As there are already many ERICs operating since several years, the established experience would help MS to set up the HPC ERIC in an effective way.47 In conclusion, ERIC can be an effective instrument for implementing Pillar 1. Pillars 2 & 3: Research and Innovation; and Applications and skills development ERIC was not conceived as an instrument for the MS to jointly ***plan*** and support R&D activities and for application development. Its current mandate does not give it the possibility of defining and developing a ***strategic*** R&I agenda; and, it does not allow it to get delegation to implement part of the H2020 ***programme***. The ERIC cannot implement itself calls for R&I proposals and would have to be combined either with the baseline scenario for financing such activities or with another legal and financial instrument supporting such activities. An alternative scenario for an ERIC could be to participate in the co-design of world-class HPC machines, if it sets up a consortium including the relevant industrial and academic partners. This is possible, provided its mission is defined in its statutes in very broad terms, so that it can be a beneficiary of H2020 grants. However, this would require altering in a rather fundamental way the ERIC's mandate; it would also require for the ERIC to assemble the right consortium (academia and industry partners) in an open and transparent way to participate in an open H2020 R&I call on co-designing HPC systems; and, finally, to make sure it is selected in the call. This last would mean that MS are involved both in defining the respective call priorities and budgets and in bidding for getting the funds. In conclusion, ERIC is not an effective standalone instrument to achieve excellence in applications, or for technology and innovation development that would be integrated in world class HPC machines. Efficiency / Impact on economy, competitiveness, competition and SMEs The ERIC would have an effect on the coordination of the national HPC strategies. It would lead to the joint procurement and management of a world-class HPC infrastructure. It would 45 According to Article 4 of the ERIC regulation, the research infrastructure must meet the requirement of an '… (c) effective access, in accordance with the rules established in its statutes, is granted to the European research community, composed of researchers from Member States and from associated countries …' 46 Up to 20% of an ERIC activity can be run on market conditions. If the demand is higher, it would require the establishment of a spin-off entity to manage such activities. 47 As an ERIC is an international organisation (within the meaning of the procurement directive), it can choose to adopt its own procurement policy respecting the principles of transparency, non-discrimination and competition. It is expected that the MS would be represented in the ERIC by their national supercomputing centre. Relying on these centres for the HPC machine procurement would add value, as they are the most experienced organisations in handling procurement of supercomputers. This might though compromise the possibility of cooperation of these centres in the procurement process as the centre will be both a member of the ERIC and participate at the same time in the co-design process of the HPC machines to procure. 41 achieve a better allocation of resources at European level, avoiding duplication of efforts, and optimisation of spending focusing on the relevant areas. The ERIC could set clear targets for the development of the world class HPC machines, creating a lead market. This would incentivise to some degree the research centres and HPC technology suppliers to develop and integrate, at least part of, the European HPC technology. The ERIC would thus permit to support to some extent the European suppliers to develop technology and sell it giving them opportunities to become more competitive. This would in particular benefit the SMEs, as the majority of European HPC suppliers are SMEs. However, as the ERIC cannot implement a R&I agenda and guarantee the integration of European technology developments into future HPC machines, its impact on economy and on European industry competitiveness is expected to be rather limited. Social and Environmental Impact The availability of world class computing performance and a high accessibility that the ERIC would achieve would permit accelerating the research on topics of social and environmental relevance like health, environment (weather forecast, climate change), ***agriculture***, renewable energy production, safety (e.g , natural hazard prevention), smart cities and traffic management, etc. The ERIC would thus have a clear societal and environmental impact. Stakeholder support The respondents to the consultation (see Annex 2) ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as a key problem area, in particular the respondents from the technology supply industry. The choice of an ERIC would not permit to improve drastically this situation. 6.3 Option 2: Joint Undertaking (JU) Effectiveness Pillar 1: Infrastructure development, acquisition and operations A JU can define its own procurement and financial rules and carry out its procurement procedures following rules to be agreed by its governing board that need to be based on the Union's model Financial Regulation. By being responsible for the HPC machine procurement process (with the help of experienced national experts), the JU will open the possibility for future hosting supercomputing centres to cooperate in this process and in particular to participate in the co-design activities of the JU machines. This is a very effective way to benefit from the supercomputing centres in designing and procuring a leading HPC and data infrastructure in Europe. Within the competences established by the statutes of the JU, the JU governing board would define the access conditions for the users of the JU machines. The JU governing board would have to define and manage the access of public and private users to the machines under similar conditions as the ones mentioned above for ERICs. In conclusion, the JU is an effective instrument for jointly procuring world-class HPC and data infrastructures for European use. Pillars 2&3: Research and Innovation; and applications and skills development A JU can be used for the indirect management of the EU budget. It is an autonomous EU legal 42 entity that can be tasked to implement actions under ***programmes*** such as H2020 or CEF. It can combine EU budget with other sources of funding (national, private, etc.), allowing the implementation of research, technological development, pilot application and demonstration ***programmes*** in an integrated way. The JU would be tasked to implement all those HPC activities foreseen in the CEF and H2020 WP 2018-2020 through the launch of competitive open calls. Firstly, it would ensure a seamless continuation of the present calls, serving different scientific and industrial user and technology supply communities. Secondly, it would implement calls for R&I proposals according to the H2020 rules that would be open to any eligible beneficiary. The JU would provide transparency and openness in its operations. The JU would include in its governance structure a scientific advisory board bringing together scientific and industrial users and technology suppliers, supercomputing centres, CoE representatives and other researchers to define the long term ***strategic*** research agenda (SRA) of the JU and give advise on the draft yearly Work ***Plans*** to implement this SRA. The latter would be decided and adopted by the governing board of the JU. This will ensure coordination with national ***programmes*** and will permit to ***plan*** and synchronise the different calls and activities towards the achievement of the overall goal of the JU, i.e the development of a European HPC ecosystem. Each subsequent call would build on the results of previous calls ensuring continuity. In particular calls for innovation procurement would be ***planned*** that make the participation to the procurement conditional to the successful conclusion of prior European R&D projects and/or specify a preference for the integration of R&D results previously developed by the European R&D ***programmes***. The JU can thus become a very effective instrument to achieve excellence in applications, and for technology and innovation development that would be integrated in world class HPC machines based on European technology. Efficiency / Impact on economy, competitiveness, competition and SMEs As in the case of ERIC, a JU would have a clear positive effect on the coordination of national HPC strategies, enabling the joint procurement of leading HPC infrastructure and avoiding duplication of efforts and waste of resources. Its possibility to pull together funds from different public and private sources, including the structural funds, to be jointly managed combined with its possibility to implement a stakeholder-defined ***strategic*** R&I agenda would permit: (i) to increase the JU's overall ***programme*** efficiency; (ii) to achieve a better allocation of resources at European level; (iii) to optimise the spending on the relevant European priority areas; and (iv) industry players to contribute to defining the JU's ***strategic*** R&I agenda and annual calls, in line with their own ***strategic*** developments in the field. Furthermore, by procuring innovation, the JU can set clear targets for the development of HPC machines integrating European-based technology, creating a lead market. This would permit to further incentivise the European HPC suppliers to work with research centres and invest into HPC technology development and into integrated machines which could be acquired by the JU. Through its activities, the JU could thus achieve a significant leverage effect on private investment and related economic activity. It could lead to a larger market share of European suppliers, and impact directly the competitiveness of European industry. These are confirmed by the findings of the recent study on partnerships of the Estonian presidency38 and those of the interim evaluation of the ECSEL JU confirm such potential economic impact of the JUs: 43 every one Euro invested by the public sector leverages two Euros from the private sector. In conclusion, the JU can have a clear positive impact on economy, competitiveness, competition and SMEs, much higher than that of the baseline scenario or ERICs. Social and Environmental Impact Similar to an ERIC, the JU would also enable the availability of world class computing performance and a high accessibility and would permit accelerating the research on topics of social and environmental relevance. Furthermore, as the JU would have a direct positive impact on the competitiveness of European industry, this in turn is expected to be translated on a positive effect on jobs. Stakeholder support There is a large majority of respondents to the targeted consultation arguing in favour of setting up a new instrument for the implementation of a truly European, integrated, HPC strategy (see Annex 2). Indeed, the respondents to the consultation ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as a key problem area. A JU would certainly set the basis for improving the present situation in the future. The possibility that the JU offers to industry to directly participate in the definition of the JU's ***strategic*** R&I agenda and annual calls is also considered to be of key importance for the European supply industry for increasing its technological edge versus competing global companies. A clear industry support can thus be concluded for the JU instrument. The recent study on R&I partnerships of the Estonian presidency seems to confirm this.48 In addition, from the non-polemic responses to the publication of the EuroHPC Inception Impact Assessment (see Annex 2) a clear support can be concluded not only for a new initiative but also explicitly for a JU as the best instrument. 7. HOW DO THE OPTIONS COMPARE? This section presents a comparison of the options in the light of the impacts identified. The options are assessed against the core criteria of effectiveness, efficiency and coherence, as well as taking into account the support expressed by the different stakeholders. Effectiveness of the instrument Both the ERIC and the JU would have a positive impact compared to the baseline scenario. However, while the JU would have a positive impact on the 3 pillars, the ERIC is not an effective instrument to implement a research ***programme*** with the aim to develop the technology that would be integrated in leading European HPC machines. The ERIC is an effective instrument only for the development, acquisition and operation of the HPC infrastructure. Impact on economy, competitiveness, competition and SMEs Both instruments, ERIC and JU, would have a positive economic impact as compared to the baseline scenario. However, the impact of the ERIC is expected to be much lower than that of 48 'Industry partners and researchers express very positive views on JTIs. A common research agenda is implemented and there is a large emphasis on partnerships and collaboration to ensure that EU remains competitive and a leader in innovation and technology', Section 3.2 of the Estonian Presidency study.42 44 the JU. This is mainly due to the fact that the ERIC cannot be tasked to implement a R&I ***programme***. Its economic impact would thus be more indirect, originating in essence from the increased availability and accessibility of world-leading HPC infrastructure. Furthermore, the JU can pull together funds not only from public sources (like ERICs do) but also from private ones. The JU also gives the possibility to industry players to steer the JU's R&I agenda which can lead to a significant leverage effect on private investment and related economic activity and impact directly the competitiveness of European industry. Social and environmental Impact Both instruments, ERIC and JU, have a clear positive almost identical societal and environmental impact. Stakeholder opinion According to the outcome of the public consultation (see Annex 2) there is a clear demand for a more effective instrument to implement the European HPC strategy. However, as the respondents to the consultation ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as key problem area, the choice of a JU would certainly set the basis for improving this situation in the future. Based upon the impact analysis performed in Section 6, the following table compares the merits of a new EU-wide collaborative effort on HPC (i.e options 1 or 2) against the baseline scenario (0): Impacts Option 0: Baseline Scenario Option 1: ERIC Option 2: JU Effectiveness x (Pillar 1: Infrastructure) x (Pillars 2&3: Applications and R&I agenda) √ (Pillar 1: Infrastructure) x (Pillars 2&3: Applications and R&I agenda) √ (Pillar 1: Infrastructure) √ (Pillars 2&3: Applications and R&I agenda) Impact on economy, competitiveness, competition and SMEs √ √√ √√√√ Social and Environmental Impact √ √√ √√ Safeguarding Union interests through EC participation √ 0 √ TOTAL √ √√√√ √√√√√√√√√ Table 1: Comparing the Impact of the different options. The symbols 'x' and '√' indicate respectively positive (√) and negative (x) impacts, the number of the symbols is the net result of the summing-up of the respective individual ratings of the policy option and indicates the magnitude of the change. The above comparison demonstrates that an EU-wide collaborative effort on HPC (i.e Options 1 or 2) offers indeed significant added value for the European economy, society and environment vis-à-vis the baseline scenario option. 45 8. SELECTION OF PREFERRED OPTION AND HOW WILL THE EUROHPC JU WORK The above analysis has shown that a Joint Undertaking (JU) represents the best instrument capable to implement the goals of EuroHPC while offering the highest economic, societal, and environmental impact while best safeguarding the Union’s interests. The business-as-usual option does not address the 4 key problems of the current European HPC strategy implementation model as identified in Section 2.2 Therefore, the business-as-usual option is considered as inappropriate to build up the EuroHPC strategy. In summary, the main arguments in favour of a JU as the preferred policy option to implement the EuroHPC entity are:  It fulfils all functional requirements of the legal entity to implement the objectives.  It provides a visible legal, contractual and organisational common framework to structure the joint commitments of the public and private stakeholders.  It provides of a firm governance structure and budgetary certainty to all stakeholders.  It can implement a joint procurement and operate world-class HPC systems via promotion of technology, particularly European one.  It can launch R&I ***programmes*** for developing technologies and their subsequent integration in European exascale supercomputing systems and contribute to developing a competitive European technology supply industry.  It has a positive impact on all 3 pillars, for developing a thriving European HPC and Big Data ecosystem. In addition, the following arguments speak in favour of the chosen option: The EC already has experience on setting-up and managing JUs. In particular the experience gained from implementing the ECSEL JU will be helpful. First, it is a tripartite agreement, bringing together the EC, the MS and the private sector, as would be the case for EuroHPC. The governance and the administrative processes are well understood, the strengths and weaknesses well known. The EuroHPC would build on the ECSEL structure taking over its strength and mitigating its weaknesses. In particular, EuroHPC would benefit from the revision of the ECSEL regulation that is going on, addressing the shortcomings that have been identified in the day-to-day operations of ECSEL. How will the EuroHPC JU operate? The members of the JU will be the Union (represented by the EC), the MS and AC, and the HPC and Big Data stakeholders, including academia and industry. Only the public partners of the JU will be responsible for its Pillar 1 activities (Infrastructure development, acquisition and operations) in order to avoid any conflicts of interest of the private partners in the procurement process of the JU machines. The governance of the Joint Undertaking will be structured in the following way:  The Governing Board will be composed of representatives of the public partners of the JU. It will be responsible for ***strategic*** policy making and for the funding decisions related to the activities of all the three JU pillars. Voting rights and procedures will be, in principle, proportional to the financial contributions of its members.  The Industrial and Scientific Advisory Board will be composed of representatives of the HPC and Big Data stakeholders. It will have an advisory role and will include two advisory groups: 46 (i) The Research and Innovation Advisory Group will include representatives of academia and industry users and technology suppliers. It will be responsible for elaborating a medium- to long-term research and innovation agenda on technology and applications, covering the research, innovation, applications and skills development activities of the JU (Pillars 2&3). (ii) The Infrastructure Advisory Group will include experienced academia and user industry experts selected by the Governing Board. They will provide independent advice to the Governing Board on the procurement and operation of the machines owned by the JU (Pillars 1&4). The JU machines will be interconnected with the existing Tier-0 PRACE and other existing national machines (via the GEANT network) and be made available to the public and private users. The Governing Board will have the responsibility of defining and assuring the overall monitoring of the access and use rules of the JU machines. The EuroHPC JU will procure and own those HPC machines funded mainly by the Union, so that these machines are jointly owned by the JU members contributing to their procurement. For simplicity, the JU would not operate the procured machines itself but delegate their operation to a hosting entity (ideally to be selected by the JU following a competitive Call for Expression of Interest). The selection of the hosting entity would have to be done according to well defined criteria. The JU would remain the owner of the procured machines until they are depreciated (typically after 4 to 5 years of operation). Then ownership would be transferred to the hosting entity for machine decommissioning and disposal or any other use. The budget of the JU will be of the order of approximately EUR 1 billion (composed of an EU contribution of around EUR 486 million matched by a similar amount from the MS/AC). It is also expected that the private stakeholders will significantly contribute to the JU activities related to Pillars 2 and 3. The JU budget would ensure the operations and payments of all the activities that the JU would have launched at the latest by the end of 2020 until their termination around 2025/2026. It could then be wound up. 9. HOW WOULD ACTUAL IMPACTS BE MONITORED AND EVALUATED? Monitoring will start with the establishment of the new legal instrument. An explicit clause to monitor on an annual basis the key performance indicators (KPIs) will be included in the legal instrument. The first assessment will take place with the publication of the call for tender for the pre-exascale machines. An explicit evaluation and review clause, by which the EC will conduct an independent evaluation, will be included in the legal instrument. The EC will subsequently report to the European Parliament and the Council on its evaluation accompanied where appropriate by a proposal for its review, in order to measure the impact of the instrument and its added value. The Commission Better Regulation methodology on evaluation will be applied. These evaluations will be conducted with the help of targeted, expert discussions, studies and wide stakeholder consultations. The Executive Director of the legal entity should present to the Governing Board an ex-post evaluation of EuroHPC's activities every two years. The legal entity should also prepare a follow-up action ***plan*** regarding the conclusions of retrospective evaluations and report on progress bi-annually to the Commission. The Governing Board should be responsible to monitor the adequate follow-up of such conclusions. Alleged instances of maladministration in the activities of the legal body may be subject to inquiries by the European Ombudsman in accordance with the provisions of Article 228 of the Treaty. 47 The list of KPIs that could be used to monitor progress towards meeting the objectives, impact and success of the JU is as follows:  At least two pre-exascale machines jointly procured.  Computing hours made available for European researchers increase with respect to the hours currently available through PRACE.  Oversubscription of the machines made available at European level decrease well below the current levels.  The number of user communities served and number of researchers getting access to the European pre-exascale machines increases when compared to the number of those having to look for computing resources outside Europe.  Competitiveness of European suppliers starts increasing, measured in terms of global market share of European HPC systems, components and tools, and in terms of share of European R&D results taken up by industry.  Contribution to next generation HPC technologies, measured in terms of patents, scientific publications and commercial products.  Number of European applications adapted to pre- and exascale systems.  Number of scientists, students, users (industrial and public administrations) trained.

**Load-Date:** January 22, 2018

**End of Document**



[***Council of the European Union: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking ST 5282 2018 ADD 3***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RGX-Y7T1-F0YC-N3JY-00000-00&context=1516831)

Impact News Service

January 25, 2018 Thursday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 24524 words

**Body**

Brussels: Council of the European Union has issued the following document:

5282/18 ADD 3 MI/lv DG G 3 C EN Council of the European Union Brussels, 12 January 2018 (OR. en) 5282/18 ADD 3 […] COVER NOTE From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 11 January 2018 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: SWD(2018) 6 final - Part 1/4 Subject: COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking Delegations will find attached document SWD(2018) 6 final - Part 1/4. Encl.: SWD(2018) 6 final - Part 1/4 EN EN EUROPEAN COMMISSION Brussels, 11.1.2018 SWD(2018) 6 final PART 1/4 COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT Accompanying the document Proposal for a Council Regulation on establishing the European High Performance Computing Joint Undertaking {COM(2018) 8 final} - {SWD(2018) 5 final} 2 Table of Contents Preamble ..................................................................................................................................... 5 1. Introduction ....................................................................................................................... 5 1.1 Background ............................................................................................................. 5 1.2 Context .................................................................................................................... 7 2. Problem Definition ........................................................................................................... 8 2.1 A brief introduction to HPC and its ***strategic*** value for science and the digital economy .......................................................................................... 8 2.2 What is the problem that requires action and its size .............................................. 8 2.3 What are the problem drivers?

.............................................................................. 18 2.4 Who is affected and in what ways? ....................................................................... 20 2.5 How would the problem evolve? ........................................................................... 22 3. Why should the EU act? ................................................................................................. 24 3.1 Why do we need to act now? ................................................................................. 24 3.2 The right to act at EU level ................................................................................... 25 3.3 Subsidiarity ............................................................................................................ 25 3.4 EU added value ..................................................................................................... 26 4. Objectives: What should be achieved? ........................................................................... 27 4.1 Overall objectives of the EuroHPC entity and instrument .................................... 27 4.2 Functionalities of the EuroHPC instrument .......................................................... 27 4.3 Specific Objectives ................................................................................................ 29 5. Available Policy Options ................................................................................................ 30 5.1 Option 0: Baseline from which the policy options are assessed ........................... 30 5.2 Options considered for implementing EuroHPC but discarded at an early stage . 31 5.3 Option 1: ERIC ...................................................................................................... 34 5.4 Option 2: Joint Undertaking .................................................................................. 36 6. What are the Impacts of the Policy Options? ................................................................. 39 6.1 Option 0: Baseline scenario ................................................................................... 39 6.2 Option 1: ERIC ...................................................................................................... 41 6.3 Option 2: Joint Undertaking (JU) .......................................................................... 42 7. How do the Options Compare? ....................................................................................... 44 8. Selection of Preferred Option and how will the EuroHPC JU work .............................. 46 9. How would actual Impacts be monitored and evaluated? .............................................. 47 3 LIST OF ANNEXES − Annex 1: Procedural information − Annex 2: Analysis of the responses received to the targeted Consultation and on the Inception Impact Assessment on the HPC Initiative in Europe − Annex 3: Who is affected by the initiative and how? − Annex 4: Staff and budgetary estimates for the Euro HPC JU option − Annex 5: HPC and its ***strategic*** value for the digital economy − Annex 6: Brief review of the funding sources and budgets of HPC initiatives Worldwide and in Europe 4 GLOSSARY The below table explains the key terms or acronyms used in this document. ASCR Advanced Scientific Computing Research CEF Connecting Europe Facility CoE Center of Excellence cPPP Contractual Public-Private Partnership DoE (US) Department of Energy DSM Digital Single Market EC European Commission ECI European Cloud Initiative EEIG European Economic Interest Grouping EIB European Investment Bank ERIC European Research Infrastructure ETP European Technology Platform ETP4HPC European Technology Platform for High-Performance Computing Exascale Computing systems capable of 1018 Floating Point Operations per Second FET Future and Emerging Technologies Flop Floating Point Operations per Second FP7 7th EU Framework ***Programme*** for Research & Innovation FPA Framework Partnership Agreement GDP Gross Domestic Product H2020 Horizon 2020 Framework ***Programme*** for Research & Innovation HPC High-Performance Computing ICT Information and Communication Technology IPCC Intergovernmental Panel on Climate Change IPRs ISV Intellectual Property Rights Independent Software Vendors ITER International Thermonuclear Experimental Reactor JTI Joint Technology Initiative JU Joint Undertaking (as defined by Article 187 TFEU) LEIT Leadership in Enabling and Industrial Technologies MFF Multi-annual Financial Framework NSA (US) National Security Agency NSCI National ***Strategic*** Computing Initiative OJ Official Journal of the EU PCP Pre-Commercial Procurement PPI Public Procurement of Innovative solutions PPP Public-Private Partnership PRACE Pre-exascale Partnership for Advanced Computing in Europe Computing power near the exascale performance (i.e 0.1-0.6 exascale) R&D Research and Development R&I Research and Innovation ROI Returns on Investment SME Small- and Medium-sized Enterprise SRA ***Strategic*** Research Agenda SSC (PRACE) Scientific Steering Committee TFEU Treaty on the Functioning of the European Union WP Work ***Programme*** 5 PREAMBLE In this document the terms High Performance Computing (HPC) systems, HPC machines and supercomputers are used indistinctly. The terms leading-class/world-class computers or systems refer to supercomputers that are ranked amongst the most powerful in the world. An important point is the level of computing performance of supercomputers: the next HPC computing frontier is the exascale performance, i.e supercomputers capable of executing 1018 or 1 billion billion Floating Point Operations per Second. These systems are expected to be built around 2022. The term pre-exascale is used to refer to performance levels close to exascale (i.e 0.1 to 0.7 exascale). Pre-exascale systems are expected to be available on the market around 2019-2020. 1. INTRODUCTION This document explains that High Performance Computing (HPC) is a ***strategic*** priority for Europe. The European Commission (EC) and several Member States (MS) have already taken the decision to co-invest in a joint structure that would allow Europe to reach the ***strategic*** goals defined in this domain through optimal use of available public funding. The document explores which form of legal and financial instrument would serve best the objectives of this joint HPC structure (called in the sequel the EuroHPC entity) that would start operating as of 2019 onwards and assesses its impact to implement the EuroHPC strategy in Europe. 1.1 Background Europe's scientific capabilities, industrial competitiveness and sovereignty critically depend on access to world-leading HPC computing and data infrastructures to keep pace with the growing demands and complexity of problems to be solved. In 2012, the Communication 'High performance Computing: Europe's place in a global race'1 highlighted the ***strategic*** nature of HPC as a crucial asset for the EU's innovation capacity and called on Member States, industry and the scientific communities, in cooperation with the EC, to step up joint efforts to ensure European leadership in the supply and use of HPC systems and services by 2020. On 19 April 2016, the EC adopted the European Cloud Initiative (ECI)2,3 as part of its Digitising European Industry strategy.4 The Communication invited the EC and the MS to work together in the creation of a leading European HPC and Big Data ecosystem, underpinned by a world-class HPC, data and network infrastructure. Such infrastructure would support the EU to become one of the world's top supercomputing powers by realising exascale supercomputers around 2022, based on European technology, ranking among the first three places in the world. 1 COM(2012) 45 final 2 COM(2016) 180 final 3 SWD(2016) 106, accompanying the ECI Communication 4 COM(2016) 180 final 6 The European HPC Strategy aims at establishing a world-class HPC ecosystem in Europe, acquiring leadership-class supercomputers which secure Europe's own independent HPC technology and system supply, and deploying HPC services for science, industry and SMEs. To be able to implement this strategy we need to coordinate and pool national and European efforts in developing and procuring world-class supercomputers. In May 2016, the Competitiveness Council5 expressed its political support to HPC followed by the European Parliament in January 2017.6 The Competitiveness Council took also note of the intention of France, Italy, Luxembourg and Spain to launch a joint project for developing a commercial offer in HPC and big data serving industrial applications. Moreover, the European Council of 28 June 2016 called for swift and determined progress to create the right conditions for stimulating new business opportunities by coordinating EU efforts on high-performance computing; and looked forward to the launch of an important project of common European interest in this field.7 On 23 March 2017 at the Digital Day in Rome, which was organised as part of the 60th Anniversary celebrations of the Treaty of Rome, seven MS – France, Germany, Italy, Luxembourg, the Netherlands, Portugal and Spain – signed the EuroHPC declaration.8 They were more recently joined by Belgium, Slovenia, Bulgaria, Greece, Croatia and Switzerland. These countries agreed to work together and with the EC for acquiring and deploying by 2022/2023 a pan-European integrated exascale supercomputing infrastructure called EuroHPC. Other MS and Associated Countries (AC)9 are invited to sign the EuroHPC declaration. Several countries have already signalled their intention to do so by the end of 2017. The EuroHPC Declaration is an agreement in which the signatory MS commit to work together and with the EC for acquiring and deploying an integrated world-class HPC infrastructure, which will be made available across the EU for scientific communities as well as public and private partners, no matter where supercomputers are located, upraising Europe's scientific capabilities and industrial competitiveness and for jointly procuring and deploying exascale supercomputers accessible from everywhere in Europe based on competitive European technologies. On 10 May 2017, in the Communication on the Mid-Term Review of the Digital Single Market (DSM) Strategy10, the EC confirmed its ***plans*** to invest on HPC and announced its 5 The Competitiveness Council on 29-30 May 2016 adopted conclusions on the ECI Communication, highlighting the role of HPC in the EU's innovation capacity and stressing its ***strategic*** importance to the EU's industrial and scientific capabilities as well as to its citizens. 6 European Parliament, Report on the European Cloud Initiative (2016/2145(INI)), Committee on Industry, Research and Energy, Brussels, 26 January 2017. 7 [*http://www.consilium.europa.eu/en/press/press-releases/2016/06/28-euco-conclusions/*](http://www.consilium.europa.eu/en/press/press-releases/2016/06/28-euco-conclusions/) 8   [*http://ec.europa.eu/newsroom/document.cfm?doc\_id=43815*](http://ec.europa.eu/newsroom/document.cfm?doc_id=43815), and   [*https://ec.europa.eu/digital-single-market/en/news/belgium-joins-european-cooperation-high-performance-computing*](https://ec.europa.eu/digital-single-market/en/news/belgium-joins-european-cooperation-high-performance-computing) 9 Countries associated to H2020:   [*https://ec.europa.eu/research/iscp/pdf/policy/h2020\_assoc\_agreement.pdf*](https://ec.europa.eu/research/iscp/pdf/policy/h2020_assoc_agreement.pdf) 10 COM(2017) 228 final 7 intention to propose by end-2017 a legal instrument that provides a procurement framework for an integrated exascale supercomputing and data infrastructure. 1.2 Context The EuroHPC declaration and the communication on the DSM mid-term review have soundly supported the decision on establishing the joint EuroHPC entity that allows the co-investment of the Union with MS and ACs to establish an integrated world-class supercomputing and data infrastructure. The EuroHPC entity would permit to coordinate and pool national and European efforts in a framework to procure jointly between the Union and the MS a world class HPC and data infrastructure and their interconnection. In order to be able to procure such infrastructure based on competitive European technology, the EuroHPC entity will also be used to develop further the European HPC ecosystem, i.e , a reinforced technology supply chain, a richer applications offer in various sectors and the tools necessary to provide these applications as an HPC Cloud service across Europe. This includes support to Research and Innovation (R&I) on both hardware and software required for building competitive exascale machines as well as support to the development of skills needed for reaping the benefits of investing in such leading infrastructure. There is an urgent need to act now, driven by the triple need to: (i) procure and deploy in Europe in competitive timeframes a world-class pre-exascale HPC infrastructure; (ii) make it available to public and private users for developing leading scientific and industrial applications that would foster the development of a broad pre-exascale ecosystem in Europe; and (iii) support the timely development of the next generation European HPC technologies and their integration into exascale systems in order to be ready to procure them in competitive timeframes with respect to our world competitors. These three objectives are within reach if the EuroHPC entity could be set up and start operating in 2019. The entity would not need extra funds from the current Multiannual Financial Framework (MFF), as it will draw funds from the budgets already committed for HPC activities in the different work-***programmes*** (WPs) of the last two years of Horizon 2020 (H2020) and the Connecting Europe Facility (CEF). A total budget of approximately EUR 1 billion would be available: an EU contribution of around EUR 486 million matched by a similar amount from the MS/AC. This would ensure the operations and payments of all the activities that the EuroHPC entity would launch at the latest by the end of 2020 until their termination around 2025/2026. The EuroHPC entity may also receive financial support from the next MFF. Should this be the case, the entity would be ready to fulfil further the objectives of the European HPC strategy. This would imply in particular the possibility for the entity to procure exascale HPC systems based on European technology; support the development of a thriving exascale ecosystem in Europe; and prepare for the next generation of HPC technologies and their link to quantum computing. 8 2. PROBLEM DEFINITION 2.1 A brief introduction to HPC and its ***strategic*** value for science and the digital economy HPC is a branch of computing that deals with simulation and modelling of scientific and engineering problems and with data analytics that are computationally so demanding that computations cannot be performed using general-purpose computers. Today, these computations typically run on very powerful systems with highly parallelized computing units of hundreds of thousands or millions of processors. Those computers are often referred to as supercomputers. The speed at which computing power increases is so fast that today's state of the art machines are obsolete after five years of operation on average. As the problems modelled in computer simulations and decision support systems grow in size and complexity (to enable more detailed predictions, to cope with ever larger amounts of data or both), so do the demands on computational resources. In many areas spanning from health, biology and climate change to automotive, aerospace energy and banking general-purpose computers cannot provide a practical solution to address complexity anymore and access to HPC becomes essential. HPC is at the core of major advances and innovations in the digital age, where to out-compute is to out-compete. It is a key technology for science, industry, and society at large. Annex 5 provides data on how impactful HPC is today on the economy and society, provides data on its high returns on investments, and illustrates the importance of HPC with many examples of the most prominent HPC applications in science, industry and the public sector. To fully reap the benefits of HPC, it is necessary to support a full ecosystem comprising hardware and software components, applications, skills, services and interconnections. In fact every new generation of HPC systems pushing further the performance limits is the result of a cooperative effort between suppliers, operators, users and researchers, tailor-made and optimised for the scientific or industrial application users, which HPC systems are intended to serve. Such an interdisciplinary approach leads to a more efficient use of often expensive supercomputing systems and develops training capabilities for ***programming*** such systems. 2.2 What is the problem that requires action and its size The 2012 Communication on 'High-Performance Computing: Europe's place in a Global Race'1, laid down the foundations for a European HPC strategy. The overall objective was the development of the European HPC infrastructure and a pooling of national investments in HPC. This was broken down into the specific objectives to provide a world-class European HPC infrastructure, ensure independent access to HPC technologies, pool enlarged resources, increase efficiency, ***strategic*** use of joint and pre-commercial procurement, and ultimately, ensure the EU's position as a global actor. The Communication called on the European Commission, the Member States, the industry and PRACE11 to put in place a number of actions to reach these objectives. As a consequence the following actions were implemented: • The contractual public-private-partnership (cPPP) European Technology Platform ETP4HPC12 was created in 2013. It is an industry-led technology platform of HPC 11 PRACE (   [*http://www.prace-ri.eu/*](http://www.prace-ri.eu/)) offers a pan-European supercomputing infrastructure providing access to computing and data management resources and services for large-scale scientific and engineering applications at the highest performance level. PRACE is an association of 24 member countries. The PRACE top computer systems (so-called Tier-0) are provided by five PRACE hosting members (BSC Spain, CINECA Italy, GCS Germany, GENCI France and CSCS Switzerland. 12   [*http://www.etp4hpc.eu*](http://www.etp4hpc.eu)/ 9 suppliers with the mission to develop a joint research agenda and coordinate its implementation, thereby creating critical mass of R&D in HPC, building a world-class HPC technology supply chain in Europe, increasing the global share of European HPC technology vendors and maximising the benefits that HPC technology brings to the European HPC user community. • The EC made a commitment towards the ETP4HPC to invest EUR 700 million in H2020 for the period 2014-2020. The cPPP should leverage a similar amount of resources on the private side. • PRACE hosting member countries supported the European science community, providing access to most powerful computers in Europe, as well as training facilities and skills development opportunities. The EC supports financially PRACE to facilitate the access to the computing resources. In addition, the EC and the MS are also investing in GÉANT, the pan-European data network for the research and education community linking national research and education networks as well as supercomputing centres across Europe. 13 • Centres of Excellence (CoEs)14 were established and funded by the EC for the application of HPC in scientific domains of importance for Europe. They also provide support, competences and training to the user communities. • MS continued to invest in their national HPC capabilities, developing technology and regularly procuring new machines to replace the outdated ones. Lessons learnt in the implementation of the HPC strategy Despite all the above activities that were put in place, the implementation of the HPC strategy is still not very efficient and effective today. The main reason for this is the existing fragmentation of efforts at EU ***programme*** level and between EU and MS level. As reported in the 2016 Communication on the European Cloud Initiative2 and in the accompanying Staff Working Document3, many of the challenges identified in the Communication of 2012 are still largely unresolved: • Provide a world-class European HPC infrastructure: PRACE is an effective tool to provide computing cycles, but the procurement of systems is still done by MS in an uncoordinated way. This situation for example leads to periods of abundance of top-class systems (i.e in 2012, with several MS acquiring top machines) followed by a period of low resources for researchers (i.e in 2016-2017, due to obsolescence of previous machines and lack of further investments). A pan-European vision with a more ***strategic*** and rational ***planning*** of procurements is necessary. • Fragmentation of European and national efforts: The implementation of the R&I agenda proposed by the cPPP is fragmented: First, MS have their own national ***programmes***. And second, the way the EC implements the HPC strategy is not well-coordinated, since it uses two different ***programmes*** (CEF and H2020) and three different H2020 WPs (FET, LEIT-ICT and Research Infrastructures). This is due to the different nature of the supported activities (R&I, infrastructure development, etc.) and annual budget limitations. Such implementation is complex: it involves discussion with four 13   [*https://www.geant.org*](https://www.geant.org) 14 Centres of Excellence (CoE) ensure EU competitiveness in the application of HPC for addressing scientific, industrial or societal challenges. The Centres are conceived to be user-focused, develop a culture of excellence, both scientific and industrial, and place computational science and the harnessing of “big data” at the centre of scientific discovery and industrial competitiveness. 10 different ***programme*** committees with different delegates often from different entities within each MS, making coordination between committees more difficult. Moreover, as the four different ***programmes*** have their own timing, the synchronisation of the calls addressing the various but interlinked aspects of the European HPC strategy, becomes a real challenge. At EU level, a single R&I ***programme*** is necessary for an efficient production of European HPC technology. • Innovation procurement is not used in HPC: Innovation procurement instruments like the Pre-Commercial Procurement (PCP) and the Public Procurement for Innovation (PPI) have not been used so far by the MS in the area of HPC. In contrast, the USA, China and Japan use legal instruments that ensure a flexible process for the production of national technology in R&D ***programmes*** and their integration in the systems that are acquired by the national agencies. Europe would benefit from a joint structure that would permit to pool national and EU resources and jointly procure HPC systems by making systematic recourse to innovation procurement. • Ensure the EU's position as a global actor: European suppliers face limitations in acceding to public procurements of HPC in USA, China or Japan. In contrast the EU is still the most open market, with no restriction in most of the public procurements on HPC (except e.g for military purpose machines in some countries). Making systematically recourse to mechanisms like the one provided by Article 30.315 of the H2020 model grant agreement (to object under certain conditions to the transfer of Intellectual Property Rights (IPR) to third countries) and to new procurement and exploitation strategies would permit protecting IPRs ***produced*** in the EU and first exploiting in Europe the EU-funded R&I results. The above issues will be analysed in the sections below. In summary, the EU is now confronted with the following situation: The EU does not have the best supercomputers in the world even in areas of key importance; the available supercomputers do not satisfy the demand; the MS spending in HPC is not coordinated and the industrial take-up of HPC technology developments is low. We still fail in turning the technology development into HPC systems that are procured in Europe, i.e we lack an effective link between technology supply, co-design with users, and a joint procurement of systems. Figure 1 provides an overview of the main problems, their drivers and their consequences. 15 [OPTION 1 for EU grants]: The [Commission][Agency] may — up to four years after the period set out in Article 3 — object to a transfer of ownership or the exclusive licensing of results, if: (a) it is to a third party established in a non-EU country not associated with Horizon 2020 and (b) the [Commission][Agency] considers that the transfer or licence is not in line with EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations. 11 Figure 1: Overview of the main problems, their drivers and consequences Problem Nr 1: The EU does not have the best supercomputers in the world but, in addition it is largely dependent on non-European HPC supply chains with the increasing risk of not having access to latest ***strategic*** technology even if resources were available. Today, none of the 10 leading supercomputers in the world – i.e supercomputers with a performance level necessary to sustain leading-edge research – is located in the EU (5 are in the USA, 2 in Japan, 1 in Switzerland and the 2 top systems are located in China).16 Figure 2: HPC World Top 20 as of June 2017 and their computing power 16 See:   [*https://www.top500.org*](https://www.top500.org) Public investments for HPC in EU/MS remain uncoordinated and insufficient to cope with the demand Relatively small European system vendors face stiff competition from large foreign competitors Europe does not have the best super-computers in the world integrating European technology Supercomputers available in Europe do not satisfy the demand MS do not have a framework for joint procurement The European HPC technology supply chain is weak and the integration of European technologies into operational HPC machines remains insignificant Science: Digital divide across Europe with regard to access to available resources Public Sector: Risk of insufficient protection of public/financial services, ***strategic*** decision making, national security Industry: Loss of innovation due to low use of supercomputers / stiff competition to access to few available resources (particularly for SMEs) Drivers Problems Consequences 12 Figure 3: HPC World Top 20 as of June 2017 Europe's top performing machine is located in Switzerland and it is based on US technology (i.e Cray). A more detailed analysis shows that while the US and the EU machines have similar capacities in terms of number of available computer cores, the performance of the two systems is very different with the average EU being below 30% of the average US performance.17 The main reason for this situation is that Collectively, the EU and the MS are significantly under-investing in HPC technology supply and infrastructures when compared to the investments of USA, China or Japan. The current funding gap with the USA is estimated in at least EUR 700 million per year. So far, the EC invested EUR 330 million on HPC-related activities of H2020 between 2014 and 2017 and further investments of the order of EUR 750 million are foreseen in the period 2018 – 2020. The total EU support in HPC will be over EUR one billion in the period 2014-2020. As for the collective investments of the MS for the same period these are estimated to be at around EUR 1.5 billion. The four PRACE countries hosting the Tier-0 machines made available to European scientists of computing time equivalent to the cost of EUR 400 million. A study conducted for the EC in 201518 on the progress of the implementation of the European HPC strategy concluded that the present pace of growth of European investment in HPC will not be enough to attain and maintain leadership, meaning at minimum parity with best-in-class HPC resources in the USA, Japan, or China. In 2015, the estimations of the study of the public and private investments for Europe to achieve leadership by 2020 were in the order of additional EUR 5.3 billion in 7 years (2016 to 2022). When compared to current investments of the EU and MS, the gap with the USA can be estimated at least at EUR 700 million per year (see Annexes 5 and 6 for further details). Moreover, HPC has now become an indispensable technology for supporting policy making and maintaining national sovereignty, supporting ***strategic*** decision-making for energy, home security, or climate change, or in the context of national security applications. Access to indigenous world-class HPC machines has become an asset to a country 17 Calculated as the average Rmax and Rpeak from Top500 18 Study IDC SMART number 2014/0021 - High Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy 1China11United Kingdom2China12United States3Switzerland13Spain4United States14Italy5United States15United States6United States16United States7Japan17Germany8Japan18Saudi Arabia9United States19France10United States20United States 13 to an extent that it is considered not only as a ***strategic*** resource for its economy, but also a matter of national security. A recent report from the US19 states '… national security requires the best computing available, and loss of leadership in HPC will severely compromise our national security …'. Access to own higher computing power provides a competitive advantage in scientific innovation and industrial competitiveness, and is indispensable technology for supporting policy making and maintaining national sovereignty (see Annex 5 for a detailed analysis of the impact of HPC). The USA, China and Japan have declared HPC to be a ***strategic*** priority for their country. They consider HPC as too ***strategic*** to be largely dependent on foreign suppliers and put focus on developing indigenous HPC supply chains and ecosystems that are essential for economic development and for security and safety. The top 5 supercomputers installed in the EU are supplied by vendors outside Europe, 3 from the United States (Cray, HPE) and 2 from China (Lenovo). They all integrate Intel processor technologies. Similarly, the technology used to interconnect the system originates from outside Europe (Cray, Intel, Mellanox). If the EU does not have its indigenous supply of supercomputers, it will find d

ifficulties to acquire state-of-the-art machines or the technology to build them, as the supplying regions would not want to lose their competitive advantage to innovate. A recent example is China, which was deprived from the supply of USA state-of-the-art technology and as a consequence developed its own HPC supply chain. As a result China now has the two world-wide fastest supercomputers. The concern that Europe's supercomputing capabilities depend on non-EU suppliers for critical technologies and systems and that Europe is relegated against its global competitors in a field as ***strategic*** as supercomputing have been put forward by stakeholders, and in particular by the user industry, in the EuroHPC targeted consultation20 (see Annex 2) to go for a new action at the EU level that goes beyond current actions.21 EU depends on other regions for the supply of critical technology for its HPC infrastructure. EU risks getting technologically deprived of ***strategic*** know-how for innovation and competitiveness. The availability of the best supercomputing capacity is strongly linked to the ability to master and ***produce*** indigenous HPC technology in Europe. If the EU is not able to ***produce*** and integrate leading-edge HPC technology, it will systematically become a mere buyer of foreign systems that are behind the latest HPC technological generation that is ***produced***, used and exploited first elsewhere. Therefore, it is of ***strategic*** importance for the EU to be able to ***produce*** its own HPC technologies and integrate them into leading-edge HPC machines that it procures. In order to fully reap the benefits of leading-edge HPC machines, it is also necessary to create a full HPC ecosystem. Every new generation of machines pushing further the limits of performance is custom designed. These machines are not off-the-shelf products. On the 19 U.S Leadership in High Performance Computing (HPC) – A Report from the NSA-DOE Technical Meeting on High Performance Computing, December 1, 2016. 20 'Targeted Consultation on the HPC Initiative in Europe and the EuroHPC Inception Impact Assessment' 21 The other one being overall inefficiency resulting from the current fragmentation of efforts. 14 contrary, they are a product of the cooperative effort of the suppliers, operators and users, tailor-made and optimised for the class of applications they are intended to solve and taking into account the boundary conditions (e.g availability of affordable electricity). This last aspect is crucial to develop a sustainable HPC environment. To reap the benefits of the use of a supercomputer requires ownership of the infrastructure. In addition, it is necessary to coordinate the supply of hardware and software components and tailor it to meet scientific and industrial application requirements. This means that such diverse communities as low-power microprocessors designers, resource management software developers, system integrators and computational scientists and engineers have to work together from an early stage of the design and development phases of supercomputing systems. Such an interdisciplinary approach leads to a more efficient use of often expensive supercomputing systems and calls for developing training capabilities for ***programming*** such computers for different user communities. Problem Nr 2: Supercomputers available in Europe do not satisfy the demand Because of the lack of highest performing HPC machines available in the EU, the European scientific and engineering research community prefers to use USA supercomputing facilities rather than PRACE. Two US ***programmes*** provide such opportunity.22 Comparing PRACE with its overseas counterpart in the USA (the Advanced Scientific Computing Research (ASCR) ***programme***) shows the extent to which the European HPC offer is insufficient to satisfy the demand. Access to ASCR supercomputer facilities is open to the scientific and engineering research community including universities, industry, and the US national labs through a peer review process. Data collected for the Fiscal Year 2015 reveals that the US is the major user of ASCR facilities23 with a total of 25993 users, whilst Europe with 3501 users (UK, Germany, France and Italy in the lead) is their second major user. Not only Europe does not have the best machines but it also cannot sufficiently satisfy the demand. If we compare ASCR and PRACE by the number of awarded projects by both programmes24, we can see that the total number of projects awarded by PRACE in each call (PRACE has 2 calls per year) has never exceeded 60 projects, while solely in the 2016 Fiscal Year ASCR awarded 921 projects to entities from the European countries.25 This comparison is indicating that the European scientific and engineering research community obtain more support from the US ASCR supercomputing facilities than from the European PRACE. A striking fact is that even the four PRACE members (Germany, France, Spain, Italy) that are providing computer systems to the PRACE association obtained more projects from ASCR than the maximum PRACE could offer. This holds also for some associated members of PRACE like the Czech Republic, Poland, Denmark, and the UK that do not provide computing systems to PRACE. In conclusion, there is a strong demand for HPC access in the EU, a demand which is not sufficiently satisfied by PRACE. Insufficient access to HPC resources was also among the main reasons why respondents to the EuroHPC consultation indicated that there is currently a problem with HPC in Europe (for 22 ASCR facilities available at [*https://science.energy.gov/user-facilities/user-facilities-at-a-glance/ascr/*](https://science.energy.gov/user-facilities/user-facilities-at-a-glance/ascr/) 23   [*https://science.energy.gov/~/media/\_/pdf/user-facilities/Reports/DOE-SC-User-Facilities-FY2015-report.pdf*](https://science.energy.gov/~/media/_/pdf/user-facilities/Reports/DOE-SC-User-Facilities-FY2015-report.pdf) 24 The comparison is indeed relevant since both ***programs*** have a similar allocation mechanism awarding one year or multi-year core hours. 25 ASCR source data available at   [*https://science.energy.gov/user-facilities/user-statistics/by-project/*](https://science.energy.gov/user-facilities/user-statistics/by-project/) 15 details see Annex 2). Regarding specifically the role of existing EU-funded HPC actions, such as PRACE, ETP4HPC and GEANT, they confirmed that in a future EU initiative on HPC existing actions should be improved, especially PRACE, and collaborate closer to complement each other. While we cannot take it for granted that Europeans can always use the best supercomputers existing in other regions, it is also a fact that the most demanding European applications have to run on the machines provided by the EU competitors, while only less demanding applications can run on the supercomputers available in Europe. This means that data ***produced*** by EU research and industry risks getting processed elsewhere for lack of corresponding capabilities in the EU. Ultimately our scientific and industrial leadership will become dependent on the accessibility to the highest-end machines that are outside Europe. The high dependence on the access to non-European supercomputers raises several problems: • The data ***produced*** by European scientists and industry is processed outside the EU. This creates problems related to privacy, data protection, commercial trade secrets, and ultimately loss of ownership of critical data. This is particularly critical for sensitive applications, for example in security, health, or engineering, where the data for national security reasons should not leave the EU. • European users do not have the priority to use the machines and are at the mercy of the access policy of the hosting country. Even if the selection of users is based on a peer review process, European users always face the risk that indigenous users get preferred access, computing time or computing power. This is in particular a problem for industrial users that cannot afford to wait for the machines they need. • In the long term, European users, scientific as well as industrial, might move outside the EU to get the same access rights, access conditions and price as the indigenous users. The brain drain from researchers relocating to third countries may not be limited to the loss of excellence in scientific disciplines, but Europe can also lose its competences in developing applications for supercomputers if users no longer co-design the applications with the supercomputing centres. • The demand for more computing power will continue increasing and new applications will soon emerge notably in health, energy, environment, fintech, manufacturing etc. which we cannot satisfy with the computing power of today's HPC machines. The problem will become even more acute in the next 5-7 years when the development of exascale applications comes to maturity. Problem Nr 3: Member States do not have a framework for joint procurement The PRACE Association provides access to the most powerful supercomputers in Europe (Tier-0 machines). However, it does not cover the coordination of national ***programmes***, nor joint investments for the procurement of systems, e.g there is no common European strategy to develop and acquire pre-exascale or exascale machines. The design, the specifications and the procurement of the machines are done by each of the supercomputing centres on their own and are mainly guided by own or by national interests, without any incentive to coordinate with the other countries. Although most MS share the same interests in advancing science, they try to satisfy as much as possible the requirement of 16 their national scientific communities. This however does not guarantee an optimal coverage of the different scientific communities at European level. In the USA, China and Japan the high-end supercomputing resources are acquired through public procurement of innovation with a national strategy. For example in the USA, there is a federal coordination of procurements between different agencies, like the National ***Strategic*** Computing Initiative (NSCI) and the Exascale Computing Project (see Annex 6) to frame the national efforts in a coherent strategy. These initiatives provide a critical mass for procurement, obtaining better value for money in acquisitions, and are also tightly linked to the technology supply, ensuring that national suppliers stay at the forefront of technology advancements. In Europe, the large fragmentation of HPC ***programmes*** and efforts, the non-coordinated activities and the lack of a common procurement framework lead to a waste of resources. This has been identified by stakeholders in the EuroHPC consultation as one of the current two top ranked problems of HPC in Europe (see Annex 2), independent of their type of organisation (i.e scientific user, industrial user, technology supply industry, computing centre). Current funding instruments have limitations when applied to large mission-oriented initiatives. The existing implementation tools are well adapted mainly to support R&D of marketable HPC technologies, but are complicated to coordinate for example several synchronised procurements in different MS with different legislation and rules. Most MS and Associated Countries to Horizon 2020 have their national HPC strategies and investment ***plans*** according to their national needs and ***programmes***. In particular those countries that have not the capability to invest in their own leading-class machines are prepared to co-invest to get access to the Tier-0 machines. Most of them participate in the PRACE ***programme***. Europe thus misses the opportunity to take advantage of efficiency gains by aligning the strategies and pooling resources. As for the EC, so far it has provided limited support to a joint procurement of supercomputers, mainly because of the hesitation of the Tier-0 countries to participate in such joint procurement. In 2016, the EC put in place a first call for procurement of innovation with the PRACE hosting countries. In return of the financial support from H2020 (at the level of 35% of the overall costs), the participating countries agreed to provide access to the procured machines. Problem Nr 4: The European HPC technology supply chain is weak and the integration of European technologies into operational HPC machines remains insignificant Today, Europe consumes about 29% of HPC resources worldwide, but the EU industry provides only ~5% of such resources worldwide. In addition, close to one fifth of the top 500 HPC systems are located in the EU, and out of these, ~20% are provided by EU vendors (oscillating between 20% and 25% over the last years).26 Between 2015 and 2016, their exports outside the EU consisted of 3 systems installed in South America and 5 in Asia. 26 French Bull-Atos is the leading European integrator, followed by the Dutch ClusterVision and the German SME Megware. The first system in the top 500 list installed by the European vendor Bull-Atos has rank 38. Bull-Atos has 10 systems in the top 100, all but one installed in Europe. ClusterVision has the first system at rank 329 and SME Megware at rank 357. 17 Figure 4: Contribution of EU vendors to the 500 most performant HPC systems (2011-16) The market share of EU vendors in Europe is even smaller when considering the HPC server market (beyond the top 500 systems), although the growth rates have been largely beating the market average (15% vs 3.4%). This growth raised the EU suppliers' market share from 2.8% in 2013 to 3.7% in 2016. During the same period, EU suppliers' share of the global HPC server market expanded at a robust 16.1% annual growth rate. Although this growth substantially exceeded the market's 5.8% growth rate during this period, it enlarged EU suppliers' share of the global HPC server market merely from a marginal 0.8% in 2013 to an equally marginal 1.1% in 2016. On the global market the European suppliers face unequal treatment on public procurement. The USA and China restrict the development and procurement of the high-end machines to domestic suppliers. As a consequence, non-European suppliers have a clear competitive advantage as they get direct funding support for the development of the national machines that they later on sell on the global market. In Europe there is an open market, without a policy to favour European suppliers. Therefore, in the absence of a prospective lead market and a risk sharing with the public sector, European suppliers hesitate to take the financial risk to develop the technology on their own. Despite the national and European R&D funding ***programmes***, Europe ends up with a weak supply industry, while it has one third of the application markets. As the non-European HPC suppliers participate in the European R&D ***programmes***, the EU ends-up paying non-EU-suppliers twice: for the development of their underlying technology and for the acquisition of their HPC machines built with non-EU technology. It is also to be noted that the functional HPC components and prototypes developed by the projects funded through the European Framework ***Programmes*** for Research (FP7, H2020) are rarely integrated in the machines that are procured. There are three main reasons for that: • Firstly, there is a lack of incentives of the supercomputing centres that specify the machines to be procured to privilege solutions developed by the European R&D ***programmes***. The procurements are in general implemented by the MS according to their national rules and the EC cannot impose measures to favour European suppliers. 18 • Secondly, the H2020 rules for participation27 make it difficult to ensure continuity of the investments made between different calls. Each call is an open and competitive process, with the possibility to limit a follow-up call to the successful projects of the previous call only in exceptional cases. This leads to the situation where R&D results are rarely integrated in the subsequent calls addressing the development phase of the supercomputer, and are replaced by a solution that was developed elsewhere, including from a non-European supplier. The R&D investments are then inefficient to transfer European R&D results into marketable products, or to foster a European supply industry. European companies have then an increased risk of not getting funded in the subsequent call. The problem is further exacerbated by the fact that the H2020 calls are open also to non-EU beneficiaries. • Thirdly, the EC (and MS) do not use the innovation procurement instruments (PCP combined with PPI) to accompany the route from HPC technology development to procurement that would help support a competitive European supply industry and create a lead market in Europe. The main reason so far is the hesitation of the Tier-0 countries to participate in joint procurement actions, even less to ones that may favour procurement of European technologies that may be perceived as not sufficiently competitive. Finally, the development of exascale technologies is not for the sake of having the fastest supercomputer in the world, but the goal is to build 'first of a kind' systems rather than 'one of a kind'. Indeed, HPC technology of today, and in particular low-power processing units and systems, is the mainstream technology that we will find in the next five years integrated in our cars, homes, factories and personal devices. Not investing in HPC technologies makes it difficult to be present in any digital technology in the future, like the autonomous vehicles, the connected car, or the smart home. The transition to exascale computing is an opportunity for the European supply industry to leverage on technologies in the computing continuum from smart phones, to embedded systems (for example in the future driverless cars), and to servers, feeding the broader ICT market within a few years of their introduction in high-end HPC – giving a competitive advantage to those developing them at an early stage. The size of these target markets is estimated to EUR 1 trillion. The industrial users who responded to the public consultation identified as their main concern the dependence on non-EU technology. This clearly shows their awareness of the risks related to the dependence of a foreign technology supply-chain for a resource that is a critical for their competitiveness on a global market. 2.3 What are the problem drivers? The following are the main drivers contributing to the problem: Problem Driver Nr 1: Public funding for HPC in EU/MS remains uncoordinated and insufficient to cope with the demand MS investments are insufficient and uncoordinated to acquire enough high end HPC systems that satisfy the demand. According to the 2014 International Data Cooperation study19, Europe started to narrow down the former wide gap separating the most capable US and Japanese supercomputers at the very high end of the supercomputers segment from their European counterparts. Indeed, at first, spending increased substantially in the EU for large 27 OJ L 347 of 20.12.2013, pp. 81-103 19 supercomputers from 2009 (112 million EUR) until 2012 (658 million EUR). However, in 2014, it started to decline again (362 million EUR in 2014). No MS has the capabilities to develop the necessary HPC ecosystem on its own in a competitive timeframe with respect to the USA, China or Japan. The individual MS do not have the full value chain or competences and most lack the necessary funding levels. Lack of sufficient resources is one of the main reasons put forward in the EuroHPC consultation (see Annex 2) to go for a new action at EU level. The leading regions in the world are racing ahead and are massively investing in ***strategic*** HPC ***programmes*** to boost their HPC ecosystem and prepare it for the upcoming next generation computing (exascale and beyond). These ***programmes*** are driven by the public authorities with some leverage of private investments (mainly on the technology supply side). If the EU is entirely dependent on non-European supply, this puts at risk our capacity to acquire the latest HPC systems and our capacity to build a digital industry all together given that HPC technology has a spill over effect on all digital technologies. Regaining world-wide leadership in HPC cannot be achieved on the basis of Europe's current HPC industry set-up and market conditions alone. No European industrial player currently has all competences in-house. The required investments levels for industry exceed their capacity and the risks of failure to develop an exascale system are too high to be borne by industry alone. Equally, public funding alone will not be sufficient to finance the broad uptake of HPC in the European industry in coming years and notably SMEs. Problem Driver Nr 2: European HPC system vendors face stiff competition from large foreign corporations Relatively small European HPC system vendors face stiff competition from large foreign corporations supported by their governments on the open European HPC market. European HPC vendors face asymmetries in major HPC markets outside of Europe due to national regulations e.g for national security. The concern that the EU is relegated against its global competitors in a field as ***strategic*** as supercomputing is among the main reasons for respondents to the consultation for a new action at EU level that goes beyond current actions (see Annex 2). Other countries such the USA have long-standing models for R&D collaborations with indigenous HPC vendors, many of which include supercomputer procurements with strong R&D requirements. Building an HPC ecosystem is a significant challenge, because the EU has historically been the most open major HPC market in the world, in part because it has not had an indigenous HPC system vendor large enough to compete with US, Japanese or Chinese vendors. As a result, in 2014, 81.2% of all European HPC server system spending profited US vendors. The only sizeable Europe-based vendor, Atos-Bull, accounted for only ~2% of European HPC server spending in 2014. It has had some successes outside of Europe, but still relies on European sales for a large majority of its HPC revenues. This unsatisfying situation is exacerbated by three factors: i. European HPC system vendors face asymmetries in major HPC markets outside the EU due to national regulations, e.g related to national security. 20 ii. The EU market for HPC hardware systems and parallel software is still too small and fragmented to support EU-based HPC vendors. They cannot thrive and continually fund world-class innovation unless they can match the investments of competitors (especially USA and China) that have strong domestic demand and easier access to the global market. iii. Intellectual property rights developed in EU research projects relevant to HPC often benefit non-EU parents of participating companies as the current EU Framework ***Programme*** for Research and Innovation imposes limited restrictions on the transfer of rights to affiliates in third countries. Concerning the 1st factor, in the USA the acquisitions of supercomputers by US federal agencies are restricted by the 'Buy American' Act, although purchasing of software and components of non-US origin is often allowed. In China, the fast-growing HPC market has been dominated historically by US supercomputer vendors, because Chinese HPC vendors have not been able to compete effectively. More recently, the Chinese government directed investment banks and other 'critical infrastructure' sites to cease acquiring non-Chinese HPC systems. In Japan, the government market has historically tended to favour Japanese supercomputers, although non-Japanese ones also had some success in this market. Concerning the 2nd factor, the EU has a lower aggregate level of HPC resources compared to other large economies around the world. With regard to the top 500 machines, the USA have ~50% more HPC resources than the EU, and China and Japan together have approximately twice the resources of the EU. These differences are significant as these three global blocs have comparable nominal economic GDP outputs. In other words, there is currently indeed a structural weakness in EU HPC resources. Concerning the 3rd factor, there are provisions in the EU Research Framework ***Programme*** that can contractually oblige an organisation to disclose such transfers. These restrictions are certainly helpful although not as severe as in other countries developing HPC technologies outside the EU. In addition to issues related to IPRs and their transfers, probably an even more important aspect is that a stronger HPC ecosystem in the EU is likely to open up new and attractive career opportunities for top scientists and engineers and reduce the brain drain from the EU. 2.4 Who is affected and in what ways? A joint structure coordinating and pooling the resources at European level will mobilise the necessary resources at European level to provide a world-class pan-European infrastructure and a strong European HPC ecosystem with lasting benefits in Europe. Europe in principle has the human potential and technological know-how to develop such an ecosystem along the whole HPC value chain. The following group of stakeholders are likely to be directly or indirectly affected by the initiative (see Annex 3 for an extended analysis). MEMBER STATES MS are expected to significantly benefit from the initiative. The EuroHPC initiative will enable them to coordinate together with the EC their HPC investments and strategies. The joint initiative will make it possible for them to access a world-class HPC infrastructure that no single country on its own can afford in particular those with little or no significant HPC resources in place. 21 The increased availability and accessibility of top HPC resources will motivate the users to keep their activities and data in Europe, helping to keep critical know-how and human potential in MS. SCIENCE - UNIVERSITIES AND RESEARCH CENTRES Thanks to a joint structure that ensures the sustainability and availability of resources in the short, medium and long terms, EuroHPC will ensure a European-wide access for researchers in Europe's Universities and Research Centres to supercomputers and data with a guaranteed high level of resources, and irrespective of their geographical location or scientific discipline. This factor is critical to ensure that the academic and scientific potential stays in Europe and is not exploited in other regions with more competitive HPC resources. A sustainable joint structure supported by the EC and MS will also consolidate the already existing vibrant mix of national, regional and pan-European initiatives in intra-EU scientific collaboration, and will provide EU-based teams with powerful resources to strengthen the European presence in international scientific endeavours. INDUSTRY INCLUDING SMES The new initiative will revitalise the European HPC ecosystem, where industry and in particular SMEs will benefit as both users and suppliers of HPC technology and applications. • As users; EuroHPC will consolidate European leadership in many HPC-empowered applications by making available more resources for industrial use accessible at EU level, complemented with specific measures to widen the usage of HPC technologies. This is of critical importance to industry and particularly SMEs without in-house capabilities that will benefit from easy to use HPC resources, applications and analytics tools to create new innovative products and processes. • As suppliers; a European-wide initiative with a focus on the supply of a European source of HPC technology and the protection of European IPR will have the necessary critical mass and a catalytic effect on the European suppliers. A clear R&I roadmap at European level provides a unique opportunity for industry, including SMEs, to participate in the co-design and development of such new technologies and systems, and to develop IPR and solutions to be further used in their business endeavours. EUROPEAN COMMISSION (EC) The EuroHPC initiative would solve the current complexity of implementing the HPC activities through two different ***programmes*** (CEF and H2020) and three different H2020 WPs (FET, LEIT-ICT and Research Infrastructures). The EuroHPC entity will provide a single structure and financial framework to coordinate the different activities in synergy. Most importantly, it will provide a single forum for ***strategic*** discussions with the MS and leverage EU and national efforts and resources. The EuroHPC entity will also be a privileged interlocutor for institutions, agencies and bodies addressing critical scientific, industrial or social-impact areas. It will become a focal point for better supporting the EU policy development and implementation in areas like digitising industry (DSM), security, and many other related to societal challenges. SUPERCOMPUTING CENTRES The EuroHPC entity will provide the appropriate frame to strategically ***plan*** for the further development and the federation of supercomputing centres at European, national and regional 22 level. The joint structure will avoid redundancies and will exploit complementarities with a European-wide ***planning*** of the different architectures across Europe (for example avoiding isolated and uncoordinated procurements that may end up in dependencies on single vendors and technological suppliers). EuroHPC also provides the opportunity to fully exploit the world-class HPC infrastructure and human resources of the European supercomputing centres in a synergetic way, encompassing the co-design and integration of technology with a coordinated procurement of supercomputers at European level. CITIZENS EuroHPC will ensure that world-class HPC resources and data are available for applications that are of direct interest for citizens. Given the inter-disciplinary nature of HPC and the wide range of scientific and industrial applications that will be made available at EU level, citizens will benefit from an increased level of resources provided by EuroHPC in areas like: • Health, demographic change and wellbeing • Secure, clean and efficient energy • Smart, green and integrated urban ***planning*** • Cybersecurity • Weather forecasting and Climate change • Food security THIRD COUNTRY ACTORS Successfully building a European HPC ecosystem will have an effect on the non-EU supply industry. The focus on the new instrument to ***produce***, co-design and take-up of European technology in the next generations of European supercomputers will make EU technology more competitive. This will eventually decrease the market share of non-EU HPC components and systems in Europe, potentially worldwide. The increased protection of European IPR resulting from the R&I ***programmes*** supported by the EuroHPC, may stop the current situation of non-EU suppliers taking advantage of EU ***programmes*** to export the resulting IPR and improving their domestic developments. Provided access conditions on equal terms becomes a global practice, the European HPC resources could become attractive for scientists from outside the EU, sending their data for processing to Europe. The risk Europe currently faces with losing its data sovereignty may thus be reversed. 2.5 How would the problem evolve? There is an arms-race world-wide to develop and operate ever more powerful supercomputers. This is driven by the ***strategic*** importance for a nation and an economy for top-level computational power, but also driven by the growing demands of the scientists to solve ever more complex problems. The renewal of a machine every 5 years at the end of its lifetime increases the costs for the development, installation and operation of the machine by a factor two. The costs have now grown to an extent that they have become prohibitive for most market actors, including for most national governments in Europe. The effect has started to show as Europe is slowly dropping out of the first league of supercomputers. After a height of four machines ranking in the top 10 most performing supercomputers worldwide in 2012, the number has been steadily decreasing since, until EU based machines dropped out altogether from the top 10 list in 2017, despite recent acquisitions/upgrades at several sites across the EU. Without an increased effort to invest more or more efficiently, for example by pooling 23 resources in Europe and coordinating acquisition ***planning***, this trend will continue and accelerate. According to the IDC study on High Performance Computing in the EU: Progress on the Implementation of the European HPC Strategy19 '… High-end supercomputers at national centres in Europe, the U.S , and Japan (but not China) are regularly oversubscribed – the demand for computing cycles typically exceeds the supply by a factor of two to three. European high-end supercomputers are no exception…'. The demand for HPC is expected to increase considerably in the coming years, for example as more and more users, in particular SMEs, become part of the digital economy and make use of HPC for their business processes. This is paired with a hunger for higher computing power as the applications increase in complexity and include big data analysis. The gap between demand and supply of the most performant computing facilities will thus increase. A growing gap of available computing performance will motivate more and more European scientists to implement their calculations outside Europe. Europe thus runs the risk of losing control of its scientific data, but eventually also the brain drain of its scientists as they move closer to the computing facilities. The situation is similar for the industrial users who will not renew their service contracts with European supercomputing centres, but replace them with contracts outside the EU in order to stay competitive on a global market. The move of the users outside Europe would have a cascading effect on the supercomputing skills in Europe. Indeed, the supercomputing centres work closely with the users, equipment suppliers and ***program*** developers to adapt the applications to the architecture of the supercomputers and optimize the use of computing resources. This co-design approach is essential for an effective exploitation of the supercomputers and requires a profound understanding of the machine's architecture and behaviour. Breaking this co-design chain will gradually erode the skills of the supercomputing centres to offer competitive computing services as they would not be involved in the design of the most powerful machines. Ultimately, Europe runs the risk to lack the competences to design and operate exascale machines and offer computing services to the most demanding applications. The European suppliers with the competences and financial resources to provide the European market with the required machines, without public ***intervention*** hesitate to take the risk to invest in this field. Indeed, the market size of high-end machines is very small, maximum 100 machines per year worldwide but mostly in very closed and inaccessible markets for European vendors. The situation is identical for the European competitors in the USA, China and Japan. Those countries have already declared HPC to be a ***strategic*** priority for their country. As a consequence their governments fund ***programmes*** to develop national HPC ecosystems and work on the deployment of exascale supercomputers. As a consequence USA vendors (with new Chinese players) will continue to dominate the market. If no effective measures are taken to bring the EU back in the HPC race with EU technology, the dependency of Europe on non-EU suppliers will continue to grow. Otherwise the industrial base of European suppliers will continue to decrease as the companies either stop their HPC products (e.g Eurotech), or do not find sufficient market share to survive. As a consequence the European HPC ecosystem will further erode. The dominant suppliers like Intel, due to their market share, are dictating the prices and are gradually pushing European competitors out of the market. Initially those suppliers were in essence supplying the cores of the supercomputers, giving European suppliers the possibility to provide the other components (e.g interconnects) and integrate them in the computing boards. Gradually the dominant suppliers started to provide the other components too, proposing complete solutions. The procurers of the machines on one hand have less and less 24 the choice to include components from European suppliers as the solutions offered by dominant suppliers provide less and less integration possibilities. In the absence of a European supplier of the computing cores, the procurers are becoming more and more dependent on complete packages, limiting their possibility to co-design the machines according to their needs. Moreover, there is a risk that due to certain ***strategic*** or political decisions, such as export restrictions, sooner or later Europe will not have access to the most competitive and innovative technology, exacerbating the gaps described above. Therefore, to mediate the risks, the European HPC strategy has identified an action to develop one of the critical components of the exascale machines, i.e the multipurpose low power processor. 3. WHY SHOULD THE EU ACT? 3.1 Why do we need to act now? The problems and risks detailed in the previous section require urgent action at European level. Our world competitors massively fund ***programmes*** to develop national HPC ecosystems and work on the deployment of exascale supercomputers, with a particular focus on the development of indigenous HPC supply chains that are essential for economic development and for security and safety. To stay competitive in the HPC race Europe needs to acquire exascale supercomputers by 2022/23 and develop its technology supply chain that guarantees access to latest HPC systems. To reach the target the work has to start now, since a development cycle typically takes 5 years. USA, China and Japan have also set 2022/23 as a target date. From the drawing board to the operational machine, the different components have to be developed and then integrated into the machine. An intermediate, key milestone is the development of the pre-exascale machines by 2020, where the initial design will be validated and the prospects of reaching the exascale target will be assessed. Any delay in the acquisition of the pre-exascale would equally delay the development of the exascale targets. Without more investments in the years 2018-2020 there is the risk that the pre-exascale target cannot be met, jeopardizing the longer term objective of the exascale machines. The EU funds to acquire the pre-exascale machines and develop its ecosystem are available now (EUR 486 million, already committed in H2020 and CEF WPs 2019-2020 to HPC activities). There is also evidence from several MS/AC (at least those which signed the EuroHPC declaration) that they are prepared to commit similar funding levels in the same period to implement the joint EuroHPC activities. Setting up a self-standing EuroHPC entity in 2019 will ensure that Europe takes action in a timely and coordinated way, with joint investments in leading-edge HPC technology and infrastructures. It would allow Europe to acquire world-class pre-exascale machines and stay competitive in leading scientific and industrial applications for the period 2020 to 2025; and, equally important, to build in Europe the necessary ecosystem to develop competitive European technology for the pre- and full exascale computing era. In an eventual support of the EuroHPC entity under the next MFF, this would allow to continue its operations and in particular to: procure and deploy two world-class exascale machines (based on European-funded technology); support the development of ambitious extreme scale applications for public and private users and of HPC skills; and, continue to support R&I activities, notably a competitive low-power European microprocessor and post-exascale HPC machines and their linking to the first quantum computing infrastructures that would have been developed under the Quantum Technologies FET Flagship. 25 3.2 The right to act at EU level The fragmentation of public HPC services across the EU and within MS leads to inefficient use of resources and only partial cross-border exchange of expertise. The increasing costs of building and maintaining HPC infrastructures require stronger governance at EU level and the rationalisation of HPC resources to reduce the current fragmentation. HPC is an essential instrument to address societal challenges like health and security. Both are policies of shared European interest, as exemplified in the NIS Directive28 or the Cybersecurity Communication29, addressing issues that do not stop at national borders. The level of security or the quality of public health in one MS depends from the situation in the rest of the EU. HPC is fundamental to build the data economy. Controlling how the data is used, who has the ownership and right for exploitation, where it is stored, and who has access to it are sensitive issues. It touches commercial and copyright issues, but also data protection and privacy issues. All these issues have been identified as political priorities in the Digital Single Market (DSM). Sending sensitive European data for processing in other regions of the world, where the high European standards of privacy, data protection, copyright, etc. are not necessarily respected, undermines the intention to gain sovereignty on European data and its exploitation. The scale of the resources that are needed to realise a sustainable exascale level HPC infrastructure and ecosystem is beyond what national governments can nowadays afford to invest. No single Member State has the financial means to acquire exascale computing capabilities and develop, acquire and operate the necessary exascale HPC ecosystem on its own and in competitive time frames with respect to the USA, China or Japan. Member States and national actors have now realised that they will only be able to remain competitive through a joint and coordinated EU-wide effort – c.f the EuroHPC declaration of 23.03.2017 This justifies the right for the EU to act in the field of HPC under Article 179 that states that 'The Union shall have the objective of strengthening its scientific and technological bases by achieving a European research area in which researchers, scientific knowledge and technology circulate freely, and encouraging it to become more competitive, including in its industry, while promoting all the research activities deemed necessary by virtue of other Chapters of the Treaties'. In addition, Article 187 TFEU gives authorisation to 'set up joint undertakings or any other structure necessary for the efficient execution of Union research, technological development and demonstration ***programmes***'. 3.3 Subsidiarity Knowledge and resources available in Europe need to be put together for the building of a leading edge HPC ecosystem across all value chain segments. National resources alone are insufficient. EU coordination of investments and resulting services is necessary in order to have HPC computing and data infrastructures as well as a full HPC ecosystem in Europe on a par with the USA, China or Japan. The importance of HPC for science, and the public and private sectors has grown in recent years together with the exponential rise in the investments required to stay globally competitive. This has led to a common understanding that the 'Europeanisation' of this domain via a shared infrastructure and common use of existing capabilities would benefit everyone. This also applies to Member States with difficulties in creating self-sufficient 28 OJ L 194, 19.7.2016, p. 1–30 29 JOIN(2017) 450 final 26 national HPC infrastructures whereas they can make valuable contributions to and benefit from federated and interconnected EU-level HPC capabilities. Cooperation exists already in some areas among Member States, industry and science actors. Examples include PRACE, the HPC cPPP, the Big Data PPP and GÉANT. EuroHPC builds on them as the key investors in the EuroHPC signatory countries are already represented there. There is however a need for a legal and financial framework closing the chain from R&D to the delivery and operation of the exascale HPC systems co-designed between users and suppliers. Such new framework would support the development of a pan-European HPC and data infrastructure built on European technologies, allowing the blending of different EU financing sources with national and private funding. It would stimulate joint investment to cover the ever increasing costs of building and maintaining world class HPC and data infrastructures and to optimise a number of important procurement factors, such as ***strategic*** ***planning*** for funding of top-level systems, user's coverage, diversity of systems architecture, etc. Ultimately, it would permit to build-up a critical mass in the HPC market to foster a true European HPC ecosystem that encourages and supports a competitive European HPC supply industry. As described in the introduction, political support from Member States on EuroHPC has already been explicitly given by the Council, by the signatories of the EuroHPC Declaration, and by the European Parliament. 3.4 EU added value The proposed initiative represents a natural candidate for European action with the EU and Member States implementing the EuroHPC strategy via the most appropriate legal instrument. It is only by acting at EU level that we will be able to pool together the necessary effort and create the critical mass needed to acquire leading next generation exascale systems which are in the order of hundreds of millions of Euros. Only by working at EU-level and combining investments, knowledge and skills Europe has a chance to keep-up to its competitors. At the same time, pooling the investments to jointly acquire exascale machines will create significantly higher return-on-investment (ROI) for each of the partial-owners of the machines, than the ROI of the full ownership of a lesser performing machine.30 Availability of top class HPC systems would enable European players to further develop a whole range of present and future scientific and industrial applications that would require exascale performance. It would permit funding the HPC related research and developing the necessary expertise, skills and capabilities for ***programming*** such systems efficiently and exploiting their full potential. And, most importantly, it will enable all European scientists, public administrations and industry to access this infrastructure and foster a wide range of cross-border collaboration and new products and services. Finally, by pooling the fragmented knowledge and the expertise existing all around, Europe can build the full supply chain for HPC systems: from technology components and systems to full machines. These are at the same time essential technologies in a variety of other mass markets (such as automotive, consumer electronics, servers, etc.). The transition to exascale computing, supported by joint EU/MS investments acting as lead market users, would provide 30 IDC special study 2016 'Investigation of the Ripple Effects of Developing and Utilizing Leadership Supercomputers in Japan: The Scientific and Financial Returns from the K Computer and Possibilities from the Post-K Computer' 27 an opportunity for the European supply industry to leverage on such investments and get access to new markets estimated to EUR 1 trillion. Overall, the creation of a globally competitive HPC environment in Europe, triggered by public ***intervention***, creates goods and services that are of a truly public value for European science and industry: It will help the private and the public sectors to create leading-edge science, technologies and solutions benefiting all areas of the economy and society, contributing to the EU's objectives of economic growth, jobs and competitiveness. 4. OBJECTIVES: WHAT SHOULD BE ACHIEVED? 4.1 Overall objectives of the EuroHPC entity and instrument To address the problems identified in section 2, we propose to establish a new legal and financial instrument that would permit to implement the joint EuroHPC entity. Its overall mission would be to provide European scientists, industry and the public sector with the latest HPC and data infrastructure and support the development of its technologies and applications across a wide range of fields. The (EuroHPC) instrument would have to address the following three overall objectives: 1. Support a joint procurement framework for an integrated world-class exascale supercomputing and data infrastructure in Europe. Such infrastructure will be accessible on a non-economic basis to public and private users for publicly funded research purposes31; 2. Ensure a EU level coordination and adequate financial resources to support the development, procurement and operation of such a public infrastructure; 3. Support the research and development of an integrated European HPC ecosystem, covering all scientific and industrial value chain segments (hardware, software, applications, services, interconnections and skills). 4.2 Functionalities of the EuroHPC instrument To reach its objectives, the EuroHPC instrument has to meet several functional requirements: [Pooling together public and private resources] The legal instrument would have to support the joint procurement and operation of a European HPC infrastructure as well as R&I activities for the development of European HPC technology and excellence in applications. To reach the necessary investment levels to meet its objectives, the instrument has to make possible the pooling of public funds (from the EU and the MS/AC), as well as financial or in-kind contributions from the private sector. The Union's financial contribution would come from the budgets already allocated to H2020 and CEF WPs in 2019 and 2020. Those funds would have to be matched by a similar amount from the MS and AC, as well as by the private sector. [Procuring HPC machines] The legal instrument should enable the EuroHPC entity to launch calls for tender to acquire the pre-exascale machines and select the successful tenderers. As EuroHPC is a joint initiative it would act as trusted manager of the procurement process on behalf of all participating countries. To reduce the administrative burden the legal instrument should permit the application of European procurement rules. Ideally, the legal instrument should allow an exemption from VAT to reduce the overall cost of the systems to be procured. [Openness to new partners] The legal instrument would have to allow new MS/AC to join 31 HPC services to industry for private use may also be provide under commercial conditions. 28 the EuroHPC entity upon their request, subject to their financial commitment. EuroHPC could then start with a core group of participants that are ready at the launch of the instrument and gradually accept new members. [Enabling participation of the private sector] for defining and implementing the EuroHPC ***strategic*** R&I and application development agenda, stimulating large private investments in the field… while mitigating any eventual conflicts of interest in public procurement processes: While enabling private participation would be fundamental, the EuroHPC instrument would also have to make possible to include provisions for avoiding conflicts of interest, notably by making sure that there is no interference of the participating technology supply industry neither in the joint public procurement process of the pre-exascale machines nor on how the public funds are spent. [Implementing a R&I ***programme*** which can address the present ***programme*** coordination inefficiencies in implementing the HPC strategy], in particular the difficult coordination and synchronisation of the different H2020 and CEF HPC WPs. This could be addressed by delegating the implementation of the related budget to the EuroHPC (legal) entity. Its governing body could then align the content and the respective timings of the different calls with the HPC ***strategic*** agenda; ensure coherence between the topics of the different calls; and put in place the appropriate funding instruments to reach the objectives, in particular innovation procurement for accompanying the route from European HPC technology development to the procurement of European machines. Furthermore, by using the H2020 rules, the EuroHPC instrument should make it possible to introduce provisions to protect the economic and ***strategic*** interests of the Union, i.e protecting IPRs ***produced*** in the EU and first exploiting in Europe all EU-funded R&I results. [Safeguarding the Union's interest through EC participation] The EuroHPC instrument should foresee the possibility for the EU represented by the Commission to be part of its governance. That would ensure that the EC can play a significant role in the definition of the ***strategic*** orientation and priorities of the EuroHPC entity, and take part in the decisions on how its budget is allocated and spent. In essence, the legal instrument would have to permit a delegation of the EC funds to the legal entity, rather than a co-fund. [Lifetime] The EuroHPC instrument would have to exist until the termination of all its activities that would be launched in 2019 and 2020. Considering the typical duration of the H2020 grants and the typical lifetime of an HPC machine, the legal instrument would have to operate until approximately end 2026. To summarise, the EuroHPC instrument would have to address the following functionalities: Pool public and private funds Execute joint procurements while operating under EU-law (e.g VAT exemption, procurement rules, …) Implement a R&I ***programme*** which can address the present coordination inefficiencies in implementing the HPC strategy Remain open to incorporate new MS/AC willing to join Enable participation of the private sector Safeguard the Union's interest (the Union will be represented by the Commission) 29 4.3 Specific Objectives Considering the general objectives of the previous section within the broader context of the European HPC Strategy, the EuroHPC entity and its related instrument should achieve the following specific objectives, grouped in three pillars. The overall EuroHPC objectives can only be achieved if all the three pillars are implemented, as each of them is necessary to create the European HPC ecosystem. Pillar 1: Infrastructure development, acquisition and operations T1 Procurement and operation of world-class HPC and data infrastructures for European use, in particular aiming at procuring and operating two pre-exascale HPC machines (2020). T2 Interconnecting regional, national and European HPC resources (pre-exascale machines, data centres and associated software and applications) through an HPC and Big Data service infrastructure facility. T3 Providing access to HPC-based infrastructures and services to a wide range of users (scientific and industrial users including SMEs, and the public sector) for new and emerging data and compute-intensive applications and services. Pillar 2: Applications and skills development and a wide use of HPC T4 Achieving excellence in HPC applications through, for example, development and optimisation of codes and applications in a co-design approach, support to Centres of Excellence in HPC applications, and large-scale HPC-enabled pilot demonstrators and test-beds for big data applications and services in a wide range of scientific and industrial areas. T5 Increasing the innovation potential of industry, and in particular of SMEs, using advanced HPC infrastructures and services, for example via dedicated digital innovation hubs. T6 Outreach and training actions for attracting human resources to HPC and increasing skills and engineering know-how of the EuroHPC ecosystem. Pillar 3: Research & Innovation agenda for European technology & know-how development T7 Developing the next generation of key HPC technologies and systems towards exascale addressing the whole European technology spectrum from low-power microprocessors and related technologies to software, algorithms, ***programming*** models and tools, to novel architectures and their system integration through a co-design approach. 5. AVAILABLE POLICY OPTIONS 5.1 Option 0: Baseline from which the policy options are assessed The HPC strategy is implemented at EU level mainly via H2020 and CEF: 30 • The development of the European HPC technology is addressed in the H2020 FET and LEIT-ICT WPs, from the research of the underlying concepts up to their integration; including the co-design and prototyping of HPC machines. The EC is supported by the cPPP (ETP4HPC) which submits every year its ***strategic*** research agenda (SRA) to the EC. The SRA provides the long term ***planning*** of activities necessary each year to reach the objectives of building a world-class HPC technology supply chain in Europe, including an estimate of the required budgets. Based on this input the EC then drafts the relevant work-***programmes***. • The development of the HPC infrastructure is addressed in the H2020 Research Infrastructures and CEF WPs. The EC provides funding to facilitate access of European scientists to the Tier-0 machines operated by PRACE. This includes financial support to the additional services PRACE provides to the user communities, complementing the work of the HPC Centres of Excellence (CoE).14 While PRACE is an organisation independent from the EC, the CoEs are a creation of the EC and are almost exclusively funded from the H2020 budget. Due to the different nature of the HPC activities funded by the EC, their difference in scope, and annual budget limitations, the activities are implemented in four different WPs: FET, LEIT-ICT, Research Infrastructures and CEF, each with its own selection process and timing. The EC publishes open and competitive calls for proposals. Any beneficiary eligible for H2020 funding can apply, irrespective of whether it is member of the HPC cPPP. For the period 2018-2020, around EUR 110 million have been committed for HPC activities in CEF and another EUR 640 million in H2020. The R&D projects funded through the H2020 calls are generally reaching their objectives (as this is acknowledged by the project reviews carried out by independent experts) and contribute to establishing the European HPC ecosystem. However, as mentioned in section 2.2, today the EC has difficulties in implementing coherently and effectively the HPC research roadmap because its activities are funded through four different WPs of H2020 and CEF; and there is a lack of continuity in supporting research teams from R&D components to systems development and integration and ultimately to innovation. The current implementation has also weaknesses with respect to the protection of the IPRs. The H2020 calls are open to any legally established legal entity, based in a MS or third country. As non-European entities can participate in H2020 grants, either directly, or through their European subsidiaries, R&I results are often transferred and exploited out of the EU. The H2020 Grant Agreement includes optional provisions to protect the European interests such as Article 30.3 which requires beneficiaries to notify the EC before they transfer the results and gives the EC the right to object. This option is validated by default for the running and upcoming H2020 HPC projects. Any further measure to protect the European IPR is unlikely to be implemented before the end of H2020, as this would require an amendment of the H2020 rules for participation. Could the shortcomings of the baseline scenario be effectively addressed by revising the existing instruments, i.e amend the mandate of the HPC cPPP, extend the mission of PRACE, or evolve the H2020 rules and procedures? PRACE provides the most powerful supercomputers in Europe but PRACE does not aim to coordinate national ***programmes*** or investments in the procurement of HPC systems. PRACE was created in 2010 and a new agreement entered into force in 2016/2017. With the new agreement, there is a small financial contribution to PRACE of the members not hosting a Tier-0 machine. Eventually a new agreement could be negotiated to include the Union, represented by the EC, as a member; a coordination of the procurement; and a revision of the 31 governance. However this is unlikely to happen because: (i) the hosting countries will continue to protect their national interests and not lose control over their Tier-0 supercomputers; and (ii) the PRACE machines are owned by the Tier-0 hosting countries and are designed and developed to primarily satisfy national research needs, in accordance with the relevant national strategies and ***programmes*** and do not necessarily cover wider European user needs. The mandate of the HPC cPPP is limited in time and is foreseen to be revised after 2020. The cPPP is playing a valuable role in defining and implementing the HPC ***strategic*** research agenda and leveraging private funding. One of its weaknesses is that its membership is open to non-EU actors. As a result the dominant, non-EU suppliers are today part of it, influencing the definition of the H2020 workprogrammes. This makes it more difficult for European market actors to develop European technology that finds its way into the subsequent procurement of machines. Finally, the use of different H2020 and CEF WPs for HPC and their challenging coordination can only be resolved by a revision of the H2020 Regulation, by integrating them into a single pillar. Such revision is not feasible any more. Even if it this was the case, it would resolve coordination of H2020 activities but not the coordination with CEF. Therefore, this option does not allow neither the pooling and efficient synchronisation of the EU investments (as they are split across multiple ***programmes*** and areas), nor the coordination of the EU activities funded by the EU budget with those of the MS. This kind of approach already proved to be insufficient in bringing about an EU-wide HPC ecosystem as this is also reflected in the 2017 EuroHPC Declaration by MS and further validated by the findings of the EuroHPC targeted consultation. Fragmentation of HPC ***programmes*** and efforts in Europe and the lack of coordination of activities was the main problem for the computing centres and the scientific users that responded to the public consultation. 5.2 Options considered for implementing EuroHPC but discarded at an early stage Option: EEIG The European Economic Interest Grouping (EEIG)32 is a cooperation form, similar to national consortia, but ruled mainly by European law. That means its core rules are common throughout the whole EU, and national rules are required only for a few issues (e.g nullity, dissolution, some profiles of a grouping's administration). An EEIG is a type of legal entity designed to make it easier for companies in different countries to do business together or to form consortia to take part in EU ***programmes***. A main usage of this supranational type of enterprise is to facilitate co-operation in European ***programmes*** especially for small and medium-sized enterprises (SMEs). The EEIG differs from other companies first and foremost in its purpose. It is supposed to help its members to develop or improve their own fields of activity. Thus, the EEIG can be used to develop certain common activities which would be too expensive for single members. Because of this auxiliary nature the activity of an EEIG has to be connected to the economic activity of its members. Not only SMEs, but basically every company or firm and all institutions governed by public or private law can be a member of an EEIG. 32 Legal basis for the EEIG is Regulation No. 2137/85. The implementation of some provisions was deferred to Member States; each state passed implementation laws which rule certain matters relating to groupings and set up the necessary rules for the registration of groupings. EEIGs thus are harmonised as they refer to one single law, the EC Regulation, which is equal for all Member States. 32 The EEIG is eligible to participate in procurement procedures. However, the EEIG can only participate as a beneficiary. It cannot coordinate the procurements of the EC and the MS, nor can it implement a joint procurement. The procurement would still have to be implemented by the MS and/or the EC. As the EEIG has full legal capacity, its participation in EU R&I projects as partner or coordinator is possible. The EEIG is eligible to receive community funds. However, this option does not effectively address the problem of fostering the supply of European technology. As in the baseline scenario, the EEIG would be in competition with non-European applicants for the H2020 calls. Also the problem of ensuring continuity of the actions between subsequent calls remains as well as the problem that the EC has with the synchronisation of HPC investments under different H2020 and CEF WPs. Option: Galileo-type ***programme*** In a Galileo-like ***programme*** the EU has the sole ownership of the ***programme*** and delegates its implementation to a separate legal entity. In discussions with the EuroHPC signatory countries, they have clearly expressed their preference for a legal instrument where they would have co-ownership of the activities, in particular for the procurement and operation of the EuroHPC machines. The legal basic act setting up the Galileo-like ***programme*** would have to be followed by a delegated act to a legal entity for its implementation. The overall process is expected to take around 3 years. Such timing is incompatible with the EuroHPC ***plans*** as discussed above, making it impossible for the EuroHPC to reach the targets set for jointly procured pre-exascale systems by 2019-2020. It would also highly compromise all the longer term ***plans*** in developing and procuring exascale systems based on European technology by 2022/2023. Option: Intergovernmental organisations An intergovernmental organisation like the European Space Agency (ESA) is an agency established by a convention between its participating states, establishing a joint ***programme*** between Member States. The Member States signing EuroHPC have not proposed the creation of an intergovernmental organisation and the EC does not have the right in the Treaty to put forward such a legal form in a regulation. The EC can only participate in joint activities after negotiating a Cooperation Framework. As the EC would not be part of the governance the EC would have a limited influence on the definition of the calls for funding the joint activities, nor would the EC have a say on the acquisition and operation of the supercomputers. Finally, establishing such an organisation is unlikely to be operational by 2019, when the activities of the new legal entity have to start, as discussed above. In summary, this option would not lead to a legal entity that can jointly procure and operate HPC machines. The following table compares the baseline scenario and the discarded options against the functionalities which the new legal instrument should fulfil. As can be seen, none of them fulfils all the functionalities. 33 Baseline Scenario EEIG Galileo-type Intergovernmental Organisation Pool public and private funds 0 0 0 0 Execute joint procurements while operating under EU-law 0 0 OK 0 Implement a R&I ***programme*** OK maybe 0 OK Remain open to incorporate new MS/AC willing to join OK 0 0 OK Enable participation of the private sector OK OK OK 0 Safeguard the Union's interest through EC participation OK 0 OK 0 5.3 Option 1: ERIC The Community legal framework for a European Research Infrastructure Consortium (ERIC) is a specific legal form to facilitate the establishment and operation of research infrastructures33 with a clear European interest and the involvement of several European countries.34 The principal task of an ERIC is to establish and operate a research infrastructure on a non-economic basis. An ERIC can be used for establishing new research infrastructures or for operating existing research infrastructures which consider it useful to change their legal structure to become an ERIC. The ERIC can thus interconnect and federate regional, national and European HPC resources provided the research infrastructure meets the requirements set out in the ERIC regulation. The ERIC can provide the management of the coordination between the infrastructure and existing national computation resources and also, if agreed, regional computation resources. The ERIC framework has been developed primarily for new high-profile research infrastructures with a European dimension.35 Complementing national and inter-governmental schemes, the ERIC Regulation provides a common legal framework based on Article 187 TFEU. The ERIC has legal personality and full legal capacity recognised in all MS. Although an ERIC can be the beneficiary of H2020 grants, its current mandate does not allow it to get delegation to implement part of the H2020 ***programme***. Therefore the ERIC would 33 According to Article 2(a) 'Research infrastructure' means facilities, resources and related services that are used by the scientific community to conduct top‑level research in their respective fields and covers major scientific equipment or sets of instruments; knowledge‑based resources such as collections, archives or structures for scientific information; enabling Information and Communication Technology based infrastructures such as Grid, computing, software and communication, or any other entity of a unique nature essential to achieve excellence in research. 34 Council Regulation (EC) No 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC), OJ L 206, 8.8.2009, p.1 35 ERIC examples are the Integrated Carbon Observation System (ICOS ERIC), the European Multidisciplinary Seafloor and Water Column Observatory (EMSO ERIC), the Central European Research Infrastructure Consortium (CERIC ERIC). 34 not be able to define a ***strategic*** R&I agenda and implement it, but would depend on the H2020 WPs defined and implemented by the EC. ERIC's basic internal structure is flexible, leaving the members to define the statutes, membership rights and obligations, as well as the bodies of the ERIC and their competences, while complying with the essential requirements provided for in the ERIC Regulation. The members of an ERIC can be MS, ACs, third countries other than the AC and intergovernmental organisations. The EU represented by the Commission may participate in an ERIC. However, the EU participation as a full member in the ERIC and the way it would make available its financial contribution are currently not foreseen36 and would have to be defined in some way. While the ERIC Regulation leaves open the possibility of the EC (as an international organisation) to become a member of an ERIC and to contribute through its membership to the ERIC, this has not been the case in any of the 17 ERICs that have been established until now. In practice, the participation of the EC in an ERIC in whatever form would create a situation of conflict of interest whenever the ERIC would participate in calls from EU ***programmes***, as the EU would both be allocating budgets for the ERIC from EU ***programmes*** (notably H2020 and CEF) and would be co-responsible in a wise spending of such funds. The participation of industry is not foreseen in an ERIC. An ERIC as such is also closed to private funding, in turn restraining the participation and financial contribution by industry players to any future initiative. This is because the principal task of the ERIC is to establish and operate on a non-economic basis37. In principle, ERICs are not designed to pool resources from the EU and MS but mainly from the MS themselves. Likewise, it would make it difficult for an ERIC to implement a joint EU/MS procurement. An ERIC is recognised by the country hosting its seat as an international body or organisation for the purposes of the directives on VAT and excise duties.38 It also qualifies as international organisation for the purpose of the directive on public procurement.39 An ERIC may therefore, 36 Council Regulation (EC) No. 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC) – Recital (6): 'In contrast to Joint Technology Initiatives (JTI) constituted as Joint Undertakings of which the Community is a member and to which it makes financial contributions, a European Research Infrastructure Consortium (hereinafter referred to as ‘ERIC’) should not be conceived as a Community body within the meaning of Article 185 of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ( 1 ) (the Financial Regulation), but as a legal entity of which the Community is not necessarily a member and to which it does not make financial contributions within the meaning of Article 108(2)(f), of the Financial Regulation. 37 See Recital (8) of Council Regulation (EC) No. 723/2009: 'An ERIC set up under this Regulation should have as its principal task the establishment and operation of a research infrastructure on a non-economic basis and should devote most of its resources to this principal task. In order to promote innovation and knowledge and technology transfer, the ERIC should be allowed to carry out some limited economic activities if they are closely related to its principal task and they do not jeopardise its achievement. The establishment of research infrastructures as ERICs does not exclude that research infrastructures of pan-European interest that have another legal form can equally be recognised as contributing to the progress of European research, including to the implementation of the roadmap developed by ESFRI. The Commission should ensure that ESFRI members and other interested parties are informed about these alternative legal forms. 38 Council Directive 92/12/EEC of 25 February 1992 on the general arrangements for products subject to 39 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC 35 under certain limits and conditions, benefit from exemptions from VAT and excise duties on its purchases in all EU MS and it may adopt procurement procedures respecting the principles of transparency, non-discrimination and competition but not subject to the directive on public procurement as implemented in national law. The advantage of the ERIC is that it can be setup with a rather lightweight and fast process. This would give confidence that by 2019 the ERIC would be operational and could implement, at least partially, the objectives of the HPC strategy. However, this would not solve some of the present shortcomings of the baseline scenario, like the difficult synchronisation of calls. To include in the mandate of the ERIC the possibility to implement H2020 calls on behalf of the EC this would require a revision of the ERIC regulation, which in turn is a lengthy process. Based on the above arguments, the table below summarises how the ERIC responds to the functional requirements the EuroHPC instrument should fulfil: ERIC Pool public and private funds ERICs are designed to pool resources mainly from the MS Execute joint procurements while operating under EU-law The EU participation as a full member in an ERIC is not foreseen, but under certain conditions the EC may participate. Joint EC/MS procurement is difficult Implement a R&I ***programme*** Current mandate does not allow ERIC to get delegation to implement part of the H2020 ***programme*** Remain open to incorporate new MS/AC willing to join OK Enable participation of the private sector Industry cannot become member of an ERIC Safeguard the Union's interest through EC participation The EU participation as a full member in an ERIC is not foreseen, but under certain conditions the EU may participate 5.4 Option 2: Joint Undertaking A Joint Undertaking (JU) is a Union Body established under Art 187 TFEU40, which can be used for the indirect management of the EU budget.41 A JU is therefore an autonomous EU legal entity, with its own staff, budget, structure, rules and governance that can be tasked to implement actions under ***programmes*** such as H2020 and CEF. It can combine EU budget with other sources of funding (national, private, etc.), allowing the implementation of R&I and demonstration ***programmes*** in an integrated way. Public authorities at different levels from the MS (national, regional), the Union represented by the EC and other stakeholders like industry can become members of a JU. JUs have been used in FP7 and H2020 to establish the Joint Technology Initiatives (JTIs): Public-Private Partnerships (PPPs) that define and implement the ***Strategic*** Research Agendas (SRAs) of a limited number of areas where the scale and scope of the objectives is such that 40 A JU is established by a Council Regulation, taking into account the opinion of the European Parliament and the European Economic and Social Committee. 41 In accordance with Art 58.1(c)(iv) of the Financial Regulation (FR) 36 loose co-ordination through European Technology Platforms (ETPs) and support through the regular instruments of the Union's Research Framework ***Programme*** are not sufficient. According to their founding regulations JUs have their own governance structure but can also share some functions (e.g internal audit) with other already existing JUs for efficiency reasons. Each JU includes a Governing Board, an Executive Director as well as other bodies, including advisory bodies, depending on its specific operational and governance needs. JUs have a dedicated budget and staff and provide a framework for the public and, when appropriate, private players to work and take decisions together. They can organise calls for proposals and put in place implementation arrangements. They thus allow funds from different sources to be jointly managed and they are responsible for the related ***planning***, monitoring and reporting activities. JUs can also carry out procurement procedures. Each JU has its own procurement and financial rules adopted by the Governing Board, based on the Union's model Financial Regulation. Established as a Union body, a JU can benefit from VAT and excise duties on its purchases in all EU MS and may adopt procurement procedures not subject to the Directive on public procurement as implemented in national law. JUs provide the legal, contractual and organisational framework to structure the joint commitments of public and private stakeholders and monitor the implementation against agreed Key Performance indicators (KPIs). In addition, they offer a firm governance structure and budgetary certainty to all stakeholders. JUs offer the possibility of joint activities between MS and the EU, allowing to keep e.g MS/AC participation flexible according to country-specific priorities. Nevertheless, there is co-responsibility in the strategies and modes of implementation chosen. A report of the Estonian presidency42 reflected the very positive view that industry partners and researchers express on this kind of PPPs. The report indicates that such partnerships are a good instrument for strengthening the industrial base of Europe by connecting the European ecosystem to global companies and by encouraging good quality industry-led research which enables the EU to remain competitive and a leader in innovation and technology. There are several good reasons to establish a JU in the area of HPC: (i) the added value of the combining EU and national funding; (ii) the coordination and rationalisation of procurement and R&I investments at European level; (iii) the possibility to safeguard the Union's interests as the EU can be member of the JU, by exerting its decisional powers in the JU Governing Board; (iv) the possibility to combine innovation procurement instruments (PCP and PPI) to fund the development of innovative European technology and procure afterwards this technology; (v) the possibility to protect the Union's economic interests (by activating the option provided for in Article 30.3 of the H2020 Model Grant Agreementrestricting the transfer of IPRs and Article 28 to first exploit the project results in the Union). The ECSEL JU43 is a good example for establishing and operating a JU in HPC. ECSEL has just been the object of an interim evaluation by an independent expert panel which concluded that the combination of EU, national and private investments under a single R&I scheme optimises the leverage of public funding and ensures a strong alignment of effort along a 42 'Increased coherence and openness of European Union research and innovation partnerships'. Final Report, Republic of Estonia Government Office, Technopolis group, June 2017,   [*http://www.technopolis-group.com/report/increased-coherence-openness-european-union-research-innovation-partnerships/*](http://www.technopolis-group.com/report/increased-coherence-openness-european-union-research-innovation-partnerships/) 43 ECSEL (   [*http://www.ecsel-ju.eu/*](http://www.ecsel-ju.eu/)) attracts the industry and research community in the semiconductor and embedded systems domains, OJ L 169, 7.6.2014, p. 152–178. 37 unified European strategy. Over the years 2014-2016, the EU has invested in ECSEL EUR 460 million out of a total of EUR 1.2 billion until 2020. This has leveraged roughly the same amount of national funding and a double amount of funding from industry (corresponding to an EU funding leverage factor of 4.26). ECSEL JU is clearly recognised as successful in attracting the best European players in the semiconductor and electronic components and systems domains and has so far been instrumental in structuring the sector in Europe around a common SRA. A similar effect is expected with the EuroHPC JU. It is to be noted that the EC (DG CNECT) has an extensive experience acquired in the establishment and operation of the ECSEL JU, which can be used in setting up and running the EuroHPC JU. Based on the arguments presented above the table below summarises how the JU responds to the functional requirements of the EuroHPC legal and financial instrument: Joint Undertaking Pool public and private funds Can combine EU budget with other sources of public and private funding Execute joint procurements while operating under EU-law Can carry out joint procurement - is recognised by the country hosting its seat as an international body or organisation for the purposes of the directives on VAT and excise duties Implement a R&I ***programme*** JU is a Union Body established under article 187 TFEU and can be tasked to implement actions under ***programmes*** such as H2020 and CEF Remain open to incorporate new MS/AC willing to join OK Enable participation of the private sector Industry can participate in the JU Safeguard the Union's interest through EC participation The EU represented by the Commission can be member of the JU and exert its decisional powers in the JU Governing Board 38 6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS? This section analyses the economic, environmental and social impact of the options in line with the Better Regulation Guidelines together with the coherence with other policy and the views of stakeholders. 6.1 Option 0: Baseline scenario Effectiveness Pillar 1: Infrastructure development, acquisition and operations H2020 has a dedicated instrument for innovation procurement that sets the EU financial support at maximum 35% of the cost of a procurement action. The experience that the EC has developed when using this instrument for procuring HPC machines in H2020 is that the procurement process should be attractive for the Tier-0 supercomputing centres of the PRACE hosting countries, since these centres are always mandated by the MS to do the national HPC procurements. The following procurement principles were thus agreed and put in place: General specifications of the HPC machines were collectively defined by the supercomputing centres. Customised 'local specifications' were then added by each supercomputing centre to address the specific national user needs of the hosting country. Then these became the basis for each centre to procure its machine. The procured machines are then co-designed with national scientific communities to optimize performance. Overall, such procurement process, while attractive for the supercomputing centres, is not suitable for the European agenda. It is optimized to serve national scientific needs and it results in procuring machines that may not be the most performing ones required at EU level. A different design would not attract supercomputing centres to participate in the procurement process. Once in operation, access to procured PRACE Tier-0 machines is essentially reserved to those MS hosting the machines (~60 to 90% of machine time). The other MSs pay a contribution to the operating costs of the machines to get access, but their scientists have to participate in a peer-review process based on excellence. As already explained in previous sections, there is a high demand and only a small number of applications are satisfied. Furthermore, this peer-review process is not adapted to industrial users because their applications are not necessarily driven by scientific excellence. In conclusion, the baseline scenario is not effective for implementing Pillar 1. Pillars 2 and 3: Research and Innovation and Applications and skills development The H2020 WP 2018-2020 supports well actions for HPC application and skills development through: (i) the HPC CoEs14; (ii) large-scale HPC-enabled industrial pilot test-beds for big data applications and services; and (iii) the Fortissimo-2 project44, providing access of user SMEs to HPC resources. In addition, the CEF WPs support application development for the public sector. The baseline scenario is effective in developing applications and skills and supporting user SMEs (Pillar 2). The H2020 WP 2018-2020 also supports technology and knowhow development through a different set of activities, ranging from fundamental research to the development of prototype systems. The funded R&D projects are generally reaching their objectives and contribute to establishing the European HPC ecosystem. However, as already explained in previous sections, the present way in implementing Pillar 3 is not effective as the funding of its activities is fragmented in two different ***programmes*** (CEF and H2020) and in three different 44   [*https://www.fortissimo-project.eu/*](https://www.fortissimo-project.eu/). Fortissimo Marketplace offers to SMEs a self-service of HPC resources, software applications, expertise and tools, delivered by Europe’s major HPC technology providers. 39 WPs of H2020 (FET, LEIT-ICT and Research Infrastructures). Even if the individual projects are successful and deliver functional components and prototypes, these are rarely integrated later on in the machines that are procured. As a result, the Union's R&D investment does not result in the development of European HPC machines that could be further supported through a lead market perspective. The baseline scenario is thus not effective to implement the EuroHPC strategy and to develop the world-class supercomputers based on European technology. Efficiency / Impact on economy, competitiveness, competition and SMEs The baseline scenario fails to foster a European supply industry of HPC technology and the take-up of the R&D results into commercial products is too limited compared to the R&D investments the Union is making. Moreover, due to the open nature of the H2020 calls non-European industry can directly benefit from the H2020 activities, increasing their competitiveness, which helps them to keep or expand their market share in Europe. The baseline scenario can foster the innovation potential of user SMEs (see above). However, it fails to provide the computing facilities European industry users need. As supported by the stakeholders' survey findings, industry users either have to turn towards machines of lower computing performance than their non-EU competitors, resulting in longer development processes or products of lower quality, or they take their product developments outside the EU to access the computing power they need to stay competitive. In conclusion, the baseline scenario has a limited impact on the economy and on competitiveness, competition and the technology supply SMEs. Social and Environmental Impact The availability of world-class computing capabilities and a high accessibility would accelerate the research on topics of environmental relevance like weather forecast, climate change, ***agriculture***, urban ***planning***, renewable energy production, natural hazard prevention, traffic management, etc. The baseline scenario can have only a limited social and environmental impact since it cannot provide the performance levels and accessibility required to make advances in these fields in pace with the non-EU competitors. Stakeholder support More than 80% of the respondents to the consultation indicated that the current implementation model is insufficient to address the challenges Europe currently faces in HPC and advocate for a new instrument. on the basis of two main arguments: • The level of EU-wide coordination and cooperation of HPC initiatives is currently insufficient in a qualitative and quantitative sense, resulting in a strong fragmentation of individual efforts across Member States, across different stakeholders (e.g industry/science) as well as across current EU-wide initiatives. • Continuing in the current mode of fragmented and insufficient efforts, the EU is relegated against its global competitors (USA, China) in a field as ***strategic*** as supercomputing. 6.2 Option 1: ERIC Effectiveness Pillar 1: Infrastructure development, acquisition and operations 40 ERIC was conceived as an instrument for the MS to jointly establish and operate pan-European research infrastructures on a non-economic basis. Potentially, an ERIC can become a very effective instrument for procuring and operating world-class HPC and data infrastructures for European use. The statutes of the ERIC would also guarantee that all MS will have open access to the ERIC procured machines under conditions announced from the beginning.45 The ERIC would provide free access for researchers and the public sector to the ERIC machines. Access to industry for private purposes would have to be done on a pay-per-use basis at market prices, since ERICs are established to work on a non-economical basis.46 Overall, the effectiveness of an ERIC for procuring and operating HPC machines would depend on how MS would put it in place. As there are already many ERICs operating since several years, the established experience would help MS to set up the HPC ERIC in an effective way.47 In conclusion, ERIC can be an effective instrument for implementing Pillar 1. Pillars 2 & 3: Research and Innovation; and Applications and skills development ERIC was not conceived as an instrument for the MS to jointly ***plan*** and support R&D activities and for application development. Its current mandate does not give it the possibility of defining and developing a ***strategic*** R&I agenda; and, it does not allow it to get delegation to implement part of the H2020 ***programme***. The ERIC cannot implement itself calls for R&I proposals and would have to be combined either with the baseline scenario for financing such activities or with another legal and financial instrument supporting such activities. An alternative scenario for an ERIC could be to participate in the co-design of world-class HPC machines, if it sets up a consortium including the relevant industrial and academic partners. This is possible, provided its mission is defined in its statutes in very broad terms, so that it can be a beneficiary of H2020 grants. However, this would require altering in a rather fundamental way the ERIC's mandate; it would also require for the ERIC to assemble the right consortium (academia and industry partners) in an open and transparent way to participate in an open H2020 R&I call on co-designing HPC systems; and, finally, to make sure it is selected in the call. This last would mean that MS are involved both in defining the respective call priorities and budgets and in bidding for getting the funds. In conclusion, ERIC is not an effective standalone instrument to achieve excellence in applications, or for technology and innovation development that would be integrated in world class HPC machines. Efficiency / Impact on economy, competitiveness, competition and SMEs The ERIC would have an effect on the coordination of the national HPC strategies. It would lead to the joint procurement and management of a world-class HPC infrastructure. It would 45 According to Article 4 of the ERIC regulation, the research infrastructure must meet the requirement of an '… (c) effective access, in accordance with the rules established in its statutes, is granted to the European research community, composed of researchers from Member States and from associated countries …' 46 Up to 20% of an ERIC activity can be run on market conditions. If the demand is higher, it would require the establishment of a spin-off entity to manage such activities. 47 As an ERIC is an international organisation (within the meaning of the procurement directive), it can choose to adopt its own procurement policy respecting the principles of transparency, non-discrimination and competition. It is expected that the MS would be represented in the ERIC by their national supercomputing centre. Relying on these centres for the HPC machine procurement would add value, as they are the most experienced organisations in handling procurement of supercomputers. This might though compromise the possibility of cooperation of these centres in the procurement process as the centre will be both a member of the ERIC and participate at the same time in the co-design process of the HPC machines to procure. 41 achieve a better allocation of resources at European level, avoiding duplication of efforts, and optimisation of spending focusing on the relevant areas. The ERIC could set clear targets for the development of the world class HPC machines, creating a lead market. This would incentivise to some degree the research centres and HPC technology suppliers to develop and integrate, at least part of, the European HPC technology. The ERIC would thus permit to support to some extent the European suppliers to develop technology and sell it giving them opportunities to become more competitive. This would in particular benefit the SMEs, as the majority of European HPC suppliers are SMEs. However, as the ERIC cannot implement a R&I agenda and guarantee the integration of European technology developments into future HPC machines, its impact on economy and on European industry competitiveness is expected to be rather limited. Social and Environmental Impact The availability of world class computing performance and a high accessibility that the ERIC would achieve would permit accelerating the research on topics of social and environmental relevance like health, environment (weather forecast, climate change), ***agriculture***, renewable energy production, safety (e.g , natural hazard prevention), smart cities and traffic management, etc. The ERIC would thus have a clear societal and environmental impact. Stakeholder support The respondents to the consultation (see Annex 2) ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as a key problem area, in particular the respondents from the technology supply industry. The choice of an ERIC would not permit to improve drastically this situation. 6.3 Option 2: Joint Undertaking (JU) Effectiveness Pillar 1: Infrastructure development, acquisition and operations A JU can define its own procurement and financial rules and carry out its procurement procedures following rules to be agreed by its governing board that need to be based on the Union's model Financial Regulation. By being responsible for the HPC machine procurement process (with the help of experienced national experts), the JU will open the possibility for future hosting supercomputing centres to cooperate in this process and in particular to participate in the co-design activities of the JU machines. This is a very effective way to benefit from the supercomputing centres in designing and procuring a leading HPC and data infrastructure in Europe. Within the competences established by the statutes of the JU, the JU governing board would define the access conditions for the users of the JU machines. The JU governing board would have to define and manage the access of public and private users to the machines under similar conditions as the ones mentioned above for ERICs. In conclusion, the JU is an effective instrument for jointly procuring world-class HPC and data infrastructures for European use. Pillars 2&3: Research and Innovation; and applications and skills development A JU can be used for the indirect management of the EU budget. It is an autonomous EU legal 42 entity that can be tasked to implement actions under ***programmes*** such as H2020 or CEF. It can combine EU budget with other sources of funding (national, private, etc.), allowing the implementation of research, technological development, pilot application and demonstration ***programmes*** in an integrated way. The JU would be tasked to implement all those HPC activities foreseen in the CEF and H2020 WP 2018-2020 through the launch of competitive open calls. Firstly, it would ensure a seamless continuation of the present calls, serving different scientific and industrial user and technology supply communities. Secondly, it would implement calls for R&I proposals according to the H2020 rules that would be open to any eligible beneficiary. The JU would provide transparency and openness in its operations. The JU would include in its governance structure a scientific advisory board bringing together scientific and industrial users and technology suppliers, supercomputing centres, CoE representatives and other researchers to define the long term ***strategic*** research agenda (SRA) of the JU and give advise on the draft yearly Work ***Plans*** to implement this SRA. The latter would be decided and adopted by the governing board of the JU. This will ensure coordination with national ***programmes*** and will permit to ***plan*** and synchronise the different calls and activities towards the achievement of the overall goal of the JU, i.e the development of a European HPC ecosystem. Each subsequent call would build on the results of previous calls ensuring continuity. In particular calls for innovation procurement would be ***planned*** that make the participation to the procurement conditional to the successful conclusion of prior European R&D projects and/or specify a preference for the integration of R&D results previously developed by the European R&D ***programmes***. The JU can thus become a very effective instrument to achieve excellence in applications, and for technology and innovation development that would be integrated in world class HPC machines based on European technology. Efficiency / Impact on economy, competitiveness, competition and SMEs As in the case of ERIC, a JU would have a clear positive effect on the coordination of national HPC strategies, enabling the joint procurement of leading HPC infrastructure and avoiding duplication of efforts and waste of resources. Its possibility to pull together funds from different public and private sources, including the structural funds, to be jointly managed combined with its possibility to implement a stakeholder-defined ***strategic*** R&I agenda would permit: (i) to increase the JU's overall ***programme*** efficiency; (ii) to achieve a better allocation of resources at European level; (iii) to optimise the spending on the relevant European priority areas; and (iv) industry players to contribute to defining the JU's ***strategic*** R&I agenda and annual calls, in line with their own ***strategic*** developments in the field. Furthermore, by procuring innovation, the JU can set clear targets for the development of HPC machines integrating European-based technology, creating a lead market. This would permit to further incentivise the European HPC suppliers to work with research centres and invest into HPC technology development and into integrated machines which could be acquired by the JU. Through its activities, the JU could thus achieve a significant leverage effect on private investment and related economic activity. It could lead to a larger market share of European suppliers, and impact directly the competitiveness of European industry. These are confirmed by the findings of the recent study on partnerships of the Estonian presidency38 and those of the interim evaluation of the ECSEL JU confirm such potential economic impact of the JUs: 43 every one Euro invested by the public sector leverages two Euros from the private sector. In conclusion, the JU can have a clear positive impact on economy, competitiveness, competition and SMEs, much higher than that of the baseline scenario or ERICs. Social and Environmental Impact Similar to an ERIC, the JU would also enable the availability of world class computing performance and a high accessibility and would permit accelerating the research on topics of social and environmental relevance. Furthermore, as the JU would have a direct positive impact on the competitiveness of European industry, this in turn is expected to be translated on a positive effect on jobs. Stakeholder support There is a large majority of respondents to the targeted consultation arguing in favour of setting up a new instrument for the implementation of a truly European, integrated, HPC strategy (see Annex 2). Indeed, the respondents to the consultation ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as a key problem area. A JU would certainly set the basis for improving the present situation in the future. The possibility that the JU offers to industry to directly participate in the definition of the JU's ***strategic*** R&I agenda and annual calls is also considered to be of key importance for the European supply industry for increasing its technological edge versus competing global companies. A clear industry support can thus be concluded for the JU instrument. The recent study on R&I partnerships of the Estonian presidency seems to confirm this.48 In addition, from the non-polemic responses to the publication of the EuroHPC Inception Impact Assessment (see Annex 2) a clear support can be concluded not only for a new initiative but also explicitly for a JU as the best instrument. 7. HOW DO THE OPTIONS COMPARE? This section presents a comparison of the options in the light of the impacts identified. The options are assessed against the core criteria of effectiveness, efficiency and coherence, as well as taking into account the support expressed by the different stakeholders. Effectiveness of the instrument Both the ERIC and the JU would have a positive impact compared to the baseline scenario. However, while the JU would have a positive impact on the 3 pillars, the ERIC is not an effective instrument to implement a research ***programme*** with the aim to develop the technology that would be integrated in leading European HPC machines. The ERIC is an effective instrument only for the development, acquisition and operation of the HPC infrastructure. Impact on economy, competitiveness, competition and SMEs Both instruments, ERIC and JU, would have a positive economic impact as compared to the baseline scenario. However, the impact of the ERIC is expected to be much lower than that of 48 'Industry partners and researchers express very positive views on JTIs. A common research agenda is implemented and there is a large emphasis on partnerships and collaboration to ensure that EU remains competitive and a leader in innovation and technology', Section 3.2 of the Estonian Presidency study.42 44 the JU. This is mainly due to the fact that the ERIC cannot be tasked to implement a R&I ***programme***. Its economic impact would thus be more indirect, originating in essence from the increased availability and accessibility of world-leading HPC infrastructure. Furthermore, the JU can pull together funds not only from public sources (like ERICs do) but also from private ones. The JU also gives the possibility to industry players to steer the JU's R&I agenda which can lead to a significant leverage effect on private investment and related economic activity and impact directly the competitiveness of European industry. Social and environmental Impact Both instruments, ERIC and JU, have a clear positive almost identical societal and environmental impact. Stakeholder opinion According to the outcome of the public consultation (see Annex 2) there is a clear demand for a more effective instrument to implement the European HPC strategy. However, as the respondents to the consultation ranked the current state of interaction between industry and academia on the exploitation of high-end computing systems, application codes and services as key problem area, the choice of a JU would certainly set the basis for improving this situation in the future. Based upon the impact analysis performed in Section 6, the following table compares the merits of a new EU-wide collaborative effort on HPC (i.e options 1 or 2) against the baseline scenario (0): Impacts Option 0: Baseline Scenario Option 1: ERIC Option 2: JU Effectiveness x (Pillar 1: Infrastructure) x (Pillars 2&3: Applications and R&I agenda) √ (Pillar 1: Infrastructure) x (Pillars 2&3: Applications and R&I agenda) √ (Pillar 1: Infrastructure) √ (Pillars 2&3: Applications and R&I agenda) Impact on economy, competitiveness, competition and SMEs √ √√ √√√√ Social and Environmental Impact √ √√ √√ Safeguarding Union interests through EC participation √ 0 √ TOTAL √ √√√√ √√√√√√√√√ Table 1: Comparing the Impact of the different options. The symbols 'x' and '√' indicate respectively positive (√) and negative (x) impacts, the number of the symbols is the net result of the summing-up of the respective individual ratings of the policy option and indicates the magnitude of the change. The above comparison demonstrates that an EU-wide collaborative effort on HPC (i.e Options 1 or 2) offers indeed significant added value for the European economy, society and environment vis-à-vis the baseline scenario option. 45 8. SELECTION OF PREFERRED OPTION AND HOW WILL THE EUROHPC JU WORK The above analysis has shown that a Joint Undertaking (JU) represents the best instrument capable to implement the goals of EuroHPC while offering the highest economic, societal, and environmental impact while best safeguarding the Union’s interests. The business-as-usual option does not address the 4 key problems of the current European HPC strategy implementation model as identified in Section 2.2 Therefore, the business-as-usual option is considered as inappropriate to build up the EuroHPC strategy. In summary, the main arguments in favour of a JU as the preferred policy option to implement the EuroHPC entity are: • It fulfils all functional requirements of the legal entity to implement the objectives. • It provides a visible legal, contractual and organisational common framework to structure the joint commitments of the public and private stakeholders. • It provides of a firm governance structure and budgetary certainty to all stakeholders. • It can implement a joint procurement and operate world-class HPC systems via promotion of technology, particularly European one. • It can launch R&I ***programmes*** for developing technologies and their subsequent integration in European exascale supercomputing systems and contribute to developing a competitive European technology supply industry. • It has a positive impact on all 3 pillars, for developing a thriving European HPC and Big Data ecosystem. In addition, the following arguments speak in favour of the chosen option: The EC already has experience on setting-up and managing JUs. In particular the experience gained from implementing the ECSEL JU will be helpful. First, it is a tripartite agreement, bringing together the EC, the MS and the private sector, as would be the case for EuroHPC. The governance and the administrative processes are well understood, the strengths and weaknesses well known. The EuroHPC would build on the ECSEL structure taking over its strength and mitigating its weaknesses. In particular, EuroHPC would benefit from the revision of the ECSEL regulation that is going on, addressing the shortcomings that have been identified in the day-to-day operations of ECSEL. How will the EuroHPC JU operate? The members of the JU will be the Union (represented by the EC), the MS and AC, and the HPC and Big Data stakeholders, including academia and industry. Only the public partners of the JU will be responsible for its Pillar 1 activities (Infrastructure development, acquisition and operations) in order to avoid any conflicts of interest of the private partners in the procurement process of the JU machines. The governance of the Joint Undertaking will be structured in the following way: • The Governing Board will be composed of representatives of the public partners of the JU. It will be responsible for ***strategic*** policy making and for the funding decisions related to the activities of all the three JU pillars. Voting rights and procedures will be, in principle, proportional to the financial contributions of its members. • The Industrial and Scientific Advisory Board will be composed of representatives of the HPC and Big Data stakeholders. It will have an advisory role and will include two advisory groups: 46 (i) The Research and Innovation Advisory Group will include representatives of academia and industry users and technology suppliers. It will be responsible for elaborating a medium- to long-term research and innovation agenda on technology and applications, covering the research, innovation, applications and skills development activities of the JU (Pillars 2&3). (ii) The Infrastructure Advisory Group will include experienced academia and user industry experts selected by the Governing Board. They will provide independent advice to the Governing Board on the procurement and operation of the machines owned by the JU (Pillars 1&4). The JU machines will be interconnected with the existing Tier-0 PRACE and other existing national machines (via the GEANT network) and be made available to the public and private users. The Governing Board will have the responsibility of defining and assuring the overall monitoring of the access and use rules of the JU machines. The EuroHPC JU will procure and own those HPC machines funded mainly by the Union, so that these machines are jointly owned by the JU members contributing to their procurement. For simplicity, the JU would not operate the procured machines itself but delegate their operation to a hosting entity (ideally to be selected by the JU following a competitive Call for Expression of Interest). The selection of the hosting entity would have to be done according to well defined criteria. The JU would remain the owner of the procured machines until they are depreciated (typically after 4 to 5 years of operation). Then ownership would be transferred to the hosting entity for machine decommissioning and disposal or any other use. The budget of the JU will be of the order of approximately EUR 1 billion (composed of an EU contribution of around EUR 486 million matched by a similar amount from the MS/AC). It is also expected that the private stakeholders will significantly contribute to the JU activities related to Pillars 2 and 3. The JU budget would ensure the operations and payments of all the activities that the JU would have launched at the latest by the end of 2020 until their termination around 2025/2026. It could then be wound up. 9. HOW WOULD ACTUAL IMPACTS BE MONITORED AND EVALUATED? Monitoring will start with the establishment of the new legal instrument. An explicit clause to monitor on an annual basis the key performance indicators (KPIs) will be included in the legal instrument. The first assessment will take place with the publication of the call for tender for the pre-exascale machines. An explicit evaluation and review clause, by which the EC will conduct an independent evaluation, will be included in the legal instrument. The EC will subsequently report to the European Parliament and the Council on its evaluation accompanied where appropriate by a proposal for its review, in order to measure the impact of the instrument and its added value. The Commission Better Regulation methodology on evaluation will be applied. These evaluations will be conducted with the help of targeted, expert discussions, studies and wide stakeholder consultations. The Executive Director of the legal entity should present to the Governing Board an ex-post evaluation of EuroHPC's activities every two years. The legal entity should also prepare a follow-up action ***plan*** regarding the conclusions of retrospective evaluations and report on progress bi-annually to the Commission. The Governing Board should be responsible to monitor the adequate follow-up of such conclusions. Alleged instances of maladministration in the activities of the legal body may be subject to inquiries by the European Ombudsman in accordance with the provisions of Article 228 of the Treaty. 47 The list of KPIs that could be used to monitor progress towards meeting the objectives, impact and success of the JU is as follows: • At least two pre-exascale machines jointly procured. • Computing hours made available for European researchers increase with respect to the hours currently available through PRACE. • Oversubscription of the machines made available at European level decrease well below the current levels. • The number of user communities served and number of researchers getting access to the European pre-exascale machines increases when compared to the number of those having to look for computing resources outside Europe. • Competitiveness of European suppliers starts increasing, measured in terms of global market share of European HPC systems, components and tools, and in terms of share of European R&D results taken up by industry. • Contribution to next generation HPC technologies, measured in terms of patents, scientific publications and commercial products. • Number of European applications adapted to pre- and exascale systems. • Number of scientists, students, users (industrial and public administrations) trained.

**Load-Date:** January 26, 2018

**End of Document**



[***-Consumers Energy Foundation Supports Regional Food Processing Program's Launch***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PVV-YYB1-F0K1-N476-00000-00&context=1516831)

ENP Newswire

November 2, 2017 Thursday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 574 words

**Body**

The Consumers Energy Foundation today announced a $ 232,000 grant to launch a regional food processing initiative designed to grow and expand West Michigan's substantial ***agriculture*** economy.

The West Michigan Shoreline Food Processing Initiative will be based in Muskegon and seeks to expand the region's strong ***agricultural*** base to include exports beyond Michigan and perhaps as far as Asia.

The foundation's contribution is its largest grant ever made in Muskegon County. The grant is the result of more than five years of studies and discussions with local stakeholders surrounding the 2016 closing of Consumers Energy's B.C. Cobb Plant, said Dennis Dobbs, the company's vice president of enterprise project management and environmental services.

'We started talking with employees, local businesses and government officials to create a ***plan*** that would keep Muskegon on a path of growth, and were thrilled when we landed on this opportunity,' Dobbs said today at the food processing initiative's launch event. 'We might have closed Cobb's doors, but that did not mean we closed the door on our friends and neighbors along the shoreline. This initiative should help create jobs and generate a ripple effect throughout the local economy.'

The initiative is focused on Muskegon and West Michigan for several reasons, including: ***Strategic*** access to prime fruit and vegetable growers and proximity to other ***agricultural*** suppliers; Access to underutilized wastewater treatment capacity; Michigan's fresh water capacity; Michigan's growing renewable energy sector and the ability to market fruits and vegetables ***produced*** using renewable energy, and Logistic and distribution attributes. Muskegon is home to West Michigan's largest commercial deep water port with easy access to rails and highways. Proposed cross-lake shipping provides direct links to western U.S. and Asian markets.

Joining local and regional economic development and business leaders as well as food and ***agriculture*** stakeholders at today's kickoff in downtown Muskegon was Jamie Clover Adams, director of the Michigan Department of ***Agriculture*** and Rural Development.

'Michigan's food and ***agriculture*** sector already contributes over $ 100 billion annually to Michigan's economy, and today's announcement only strengthens its future both locally and well beyond the state's borders,' Clover Adams said. 'Access to Michigan's diverse ***agriculture***, our incredible natural resources, a talented workforce and an array of transportation options really put this West Michigan initiative in a great position for success.'

In addition to the Consumers Energy Foundation, the initiative is also supported by the Community Foundation for Muskegon County and other regional stakeholders. For more information on the initiative, contact project manager Marty Gerencer at [*marty@morseconnections.com*](mailto:marty@morseconnections.com)

The Consumers Energy Foundation is the philanthropic arm of Consumers Energy. It provides funding for a variety of areas including education, community, civic and cultural development, social services, the environment, and emerging issues.

Consumers Energy, Michigan's largest energy provider, is the principal subsidiary of CMS Energy (NYSE: CMS), providing natural gas and electricity to 6.7 million of the state's 10 million residents in all 68 Lower Peninsula counties.

Media Contact:

Roger Morgenstern

Tel: 616-530-4364

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** November 2, 2017

**End of Document**



[***Register of Commission documents:Written answer : EU institutional demand for space Document date: 2017-07-05 P8\_RE(2017)002538 Answers to written questions***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PBB-4221-JDG9-Y17B-00000-00&context=1516831)

Impact News Service

August 24, 2017 Thursday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 605 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

(English version) Question for written answer E-002538/17 to the Commission Cora van Nieuwenhuizen (ALDE) (5 April 2017) Subject: EU institutional demand for space The Space Strategy presented by the Commission in November 2016 sends out a strong signal, endorsing the concept of European leadership in space in the near future. However, to match these intentions with actions, the Commission should lead by example and act in a way that is consistent with its goal of creating a strong European space industry. Therefore, where space services can be useful in achieving policy objectives, the Commission should not just act as a launch customer for the European space industry, but also be involved in areas other than launches. 1.Has the Commission already mapped its own emerging and future space needs on a cross-DG basis, in order to bring about a critical mass in institutional demand and act as a launch customer?

If not, will it do so in the near future? 2.Does the Commission ***plan*** to lead by example vis-à-vis other sectors when it comes to the use of European space applications, such as by providing Commission employees with Galileo-enabled smartphones or using Copernicus earth observation data for ***agricultural*** policies? Answer given by Ms Bieńkowska on behalf of the Commission (5 July 2017) The Space Strategy for Europe (1) sets four ***strategic*** priorities including the reinforcement of Europe's autonomy in accessing space; encouraging the use of space services and data; addressing emerging user needs related to Union policies, in particular climate change/sustainable development, security and defence. To identify the future launch needs of EU space ***programmes***, the Commission is analysing them in the context of its broader assessment of their continuity and possible expansion. The Commission will aggregate the launch service needs of EU ***programmes*** and act as a smart customer of European reliable and cost-effective launch solutions. A large number of Commission Directorates-General (DG) already use Copernicus data. A non-exhaustive list includes: DG ***Agriculture*** and Rural Development (2); DG European Civil Protection and Humanitarian Aid Operations (3); DG Mobility and Transport (4); DG Regional and Urban Policy (5). Moreover, the Commission services are involved in the gathering of user requirements for the next generation of Copernicus as well as in outreach and training activities. With respect to the use of Galileo, the Commission is assessing measures to ensure uptake of Galileo-enabled chipsets, including amongst internal stakeholders in the Commission. The inclusion of Galileo in mobile phones is a priority under the Space Strategy. The Commission supports the extension of such actions to the other EU institutions. ⋅1∙COM(2016)705 of 26.10.2016 ⋅2∙DG ***Agriculture*** and Rural Development uses indicators for the ***agricultural*** and forestry sector based on the Copernicus CORINE land cover. ⋅3∙DG European Civil Protection and Humanitarian Aid Operations facilitates support to civil protection through the Copernicus Emergency Management Service for early warning alerts and satellite maps on the impact of natural and man-made disasters before, during and after a disaster. Moreover, Copernicus may be used to ***produce*** risk and recovery maps, for example, on the effects of floods on crops. ⋅4∙DG Mobility and Transport monitors TEN-TEC projects with the Copernicus land monitoring services. ⋅5∙DG Regional and Urban Policy monitors regions with the Copernicus Urban Atlas data. |( |( |( |( |( |) |) |) |) |)

**Load-Date:** August 26, 2017

**End of Document**



[***Boon or bane for development? Turkey’s central state bureaucracy and the management of public investment***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BGY-HK51-JBMY-H3PD-00000-00&context=1516831)

Environment and Planning C: Politics and Space

September 2017

Copyright 2017 Sage Publications, Inc. All Rights Reserved



**Section:** Pg. 939-957; Vol.35; No.6; ISSN: 2399-6544, 2399-6552

**Length:** 8161 words

**Byline:** Davide Luca

**Body**

**ABSTRACT**

While Turkey’s use of public monies has been frequently marred by waste and short-term electoral rewarding, recent research suggests that the allocation of public investment across Turkish provinces between 2004 and 2012 was more responsive to socioeconomic needs than electoral politics. The current paper aims to understand this empirical puzzle by exploring whether the ‘relatively sound’ management of public investment can be explained by the characteristics of the central economic bureaucracy. It draws on process-tracing analysis and in-depth elite interviews. In line with the developmental state literature, the analysis argues that authoritative and insulated public administrations are essential for policy effectiveness, particularly in institutional contexts prone to a high politicisation of the public purse. Yet, in order to prevent bureaucratic capture, bureaus must also be accountable. The analysis in particular shows how increasing the transparency of the state and allowing a stronger oversight of policy performance by the public and the media are extremely important. Conversely, transformations which simply reduce the powers of strong, top-down bureaucracies to increase the indiscriminate control by governments – such as the ones which have occurred in Turkey in recent years – will not lead to stronger institutions, but merely ***produce*** different ineffective and unsustainable structures.

**FULL TEXT**

**Introduction**

Like in many other countries around the world, the use of public monies in Turkey has been frequently distorted by populism, clientelism, and policies driven by short-term electoral interests rather than long-term developmental goals (cf. Heper and Keyman, 1998; Kalaycıoğlu, 2001). Yet, recent research on the allocation of Turkish public investment between 2004 and 2012 has uncovered a picture in which the geographical distribution of public goods responds more to socioeconomic need than distributive politics considerations (Luca and Rodríguez-Pose, 2015). The current paper empirically aims to understand such empirical puzzle, by: (1) exploring in more depth whether Turkey’s public investment project cycle is currently managed effectively. Policy effectiveness is defined as the ability of an agency to formulate and pursue objectives coherently with their policy mandate, regardless of the preferences of other actors in their environment (Echeverri-Gent, 1992)1; (2) assessing whether the relative levels of policy effectiveness can be linked to the institutional characteristics of the Ministry of Development – the organisation in charge of the investment project cycle.

The article draws on process-tracing analysis and elite, semi-structured interviews among Turkey’s economic bureaucracy, as well as on the exploration of national and international policy documents. The paper is, to the best of the author’s knowledge, the first attempt to explore and explain the specific functioning of Turkey’s public investment management. While findings come from Turkey, the analysis aims, more broadly, to contribute to the literature on state capacity and development. After almost a century since Max Weber (1921)‘s seminal work on bureaucracies, development scholars still discuss how, and when, public sector organisations can be conducive to the effective provision of public goods necessary for development. In spite of significant advancements, debate still exists – in particular – on what is the right balance between bureaucratic insulation and accountability for developmental states to ensure effective policy outcomes. The article adds to such debate by empirically exploring the institutional characteristics which inhibited/promoted the effective management of public investment in Turkey. The analysis also aims to contribute to the literature on the ***strategic*** redistribution of public goods (cf. Golden and Min, 2013). As Bertelli and Grose (2009) stress, such literature has generally been legislature centric, in the sense that although it recognises that allocations are made in the byways of bureaucracies, it has mostly focused its attention on governments and parliamentarians, and much less on bureaucratic agencies. The paper addresses this gap by providing novel insights on the role played by bureaucrats in enhancing/constraining distributive politics dynamics.

The Turkish case is particularly interesting. As an emerging country with frequent episodes of poor governance, its conditions are ripe for ***strategic*** redistribution and patronage (Güneş-Ayata, 1994; Heper, 1985; Heper and Keyman, 1998; Özcan, 2000, 2006; Sayarı, 1977). At the same time, as early as 1963 the country established a specific developmental policy agenda, and an ad hoc institution in charge of it – the State ***Planning*** Organisation (*Devlet Pılanlama Teşkilatı,* SPO hereafter), transformed in 2011 into the Ministry of Development.2

Results suggest that the institutional characteristics of the organisation – comparatively more authoritative and better staffed than most other bureaucratic agencies in the country – have been essential to contributing to a technical management of investment projects. Results also show how the Ministry is insufficiently independent vis-a-vis the government, and so the effective management of funds is strongly contingent on the executive’s ‘will to deliver’. In line with the literature on developmental states, the paper hence argues how the existence of strong and autonomous bureaucracies is a key precondition for sound policies.

While results stress the key role played by autonomous public administrations in the achievement of policy effectiveness, the article does not maintain the case for a traditional ‘top-down’ bureaucracy. Indeed, the analysis uncovers resistance from parts of the Ministry against measures which would increase their efficiency and transparency. Contrasting standard principal-agent models (Huber and Shipan, 2001), findings in particular show how the government and the top bureaucrats have, somehow, colluded. It is hence essential that bureaucracies are held (retrospectively) accountable not only to their political principals, but also to a wider range of actors with an oversight role such as judicial powers, the media and the wider civil society.

The remainder of the paper is organised as follows: The second section provides a review of the literature on the link between bureaucracies and policy effectiveness, and draws from it two research hypotheses. The third section explains the methodology. The fourth section presents the empirical findings. The fifth section eventually leads the discussion to a conclusion.

**Bureaucracies and policy effectiveness: A conceptual framework**

The presence of a well-functioning public sector able to deliver effective policies is a key precondition to foster economic growth and social transformation (Azulai et al., 2014). Effectiveness depends on the existence of a technical project cycle, that is, mechanisms allowing to translate visions and goals into well-informed, disciplined, and accountable decisions (Milio, 2007; World Bank, 1997). Yet, while there is universal agreement on the importance of technical capacity, debate still exists on which institutional conditions are necessary to ensure that such technical management measures are concretely implemented and followed.

Too frequently, the effective geographical allocation and management of key public services and goods fail because of distorted bureaucratic and political incentives (Diaz-Cayeros et al., 2016). These concerns are particularly relevant in the developing world where, because of weaker societal institutions, the provision of public goods is more likely to be distorted around redistributive goals and clientelistic networks aimed at pleasing partisan supporters in the short-term (Diaz-Cayeros et al., 2007, 2016; Knutsen, 2013), rather than serving long-term development goals. Drawing from the case of Turkey, Kalayıcıoğlu has for example underlined how ‘[it] is an irony to note that the practice of popular government [electoral democracy, A./N.] and good governance seem to be inversely related’ (Kalaycıoğlu, 2001: 66). In the cases of Thailand and Indonesia, after the shift to democracy politicians used their control of the legislature and the prime minister’s office, as well as pork-barrelling spending in the countryside, to build their own patron-client networks (Rock, 2009). Electoral politics is inherently particularistic, in the sense that the exchange of votes and other types of political support in favour of public decisions with divisible benefits spans virtually across all political systems (Piattoni, 2001). Yet, in ‘weaker institutional contexts’ such particularistic behaviours may end up in ‘tragic underdevelopment equilibria’ where voters contribute maintaining in power political coalitions whose actions are detrimental for the overall society (Blaydes, 2010; Diaz-Cayeros et al., 2007).

The literature rooted in economic sociology and international development has hence stressed how capable bureaucracies insulated from politicians may be beneficial for effective policy-making. The existence of such bureaucracies may keep the state and its policies at bay from special interest groups, as well as from politicians’ short-term objectives. The literature on the developmental state provides one of the strongest positions of how ‘Weberian’ state structures may be a prerequisite for ensuring effective policymaking aimed at fostering economic growth in emerging economies (Amsden, 1989; Evans et al., 2014; Moon and Prasad, 1994; Rauch and Evans, 1999; Wade, 1990). The ‘comparative advantage’ of rational, technocratic structures lies in their intrinsic strength in designing and carrying out policies which are politically difficult but critically important (Eisner, 1993). If the bureaucracy is strong and is insulated enough to resist political pressure and interferences by rent-seeking actors, it will be more able to promote development and formulate policies in the public interest. Rauch and Evans (1999) offer cross-country empirical evidence showing how the link between differential government performance and economic growth across the world is significantly correlated to the existence of bureaucracies with sufficient insulation from external actors. Analysing the relationship between political appointees within the bureaucracy and management performance, Lewis (2007) shows that US federal ***programmes*** administered by politically appointed bureau chiefs received systematically lower evaluation scores than ***programmes*** run by chiefs from the civil service. Rasul and Rogger (2013) further demonstrate that public sector project completion rates in Nigeria are positively correlated with bureaucrats’ autonomy, that is, the possibility for them to flexibly manage the delivery of public services independently of their principal’s control.

Drawing from such literature our *first hypothesis* is that, conditional on the existence of technical capacity, bureaucracies can better contribute to determining effective policies inasmuch as they enjoy insulation and autonomy from external actors.

Evans (1995) argues that developmental states are those where a strong bureaucracy is embedded enough in society to ensure that the bureaucratic elite is aware of and responsive to societal needs, but at the same time independent enough to be protected against interferences from special interest groups and politicians. While Evans (1995)‘s theory provides important insights into the relations between bureaucracies and their external, social environment, his argument still leaves open questions on the specific extent to which bureaucratic agencies should be insulated from democratic politics.3

The literature stemming from the public choice tradition has indeed put the mechanisms to control the bureaucracy at the core of its interest. Stressing the inherent self-interested nature of bureaucratic agents, such research points to the role played by mechanisms aimed at ensuring control over bureaucrats as a key factor to avoid their possible rent-seeking behaviours (Chang et al., 2001; Huber and Shipan, 2001; Niskanen, 2001). As Downs (1967) and Niskanen (1971)’s seminal works on bureaucracy go, in the absence of control self-interested and rational bureaucrats will try to maximise their own utility and hence act in defiance of the public interest. Bureaucratic performance is explained following a principal-agent model, according to which an elected principal acts as an outside monitor and can reduce inefficiencies and improve delivery of services by controlling the opportunistic behaviours of their bureaucratic agent (Niskanen, 2001). Successive scholars have further developed such argument to account for more complex conditions, and considered the possibility that there may be multiple principals (Olsen, 2015). The overall argument is however clear: in the absence of control by elected politicians, bureaucracies will work against the interest of society (Bendor and Moe, 1985), as ‘the very expertise that bureaucrats and other actors enjoy, along with their structural role in policy processes, provides them with opportunities to work against the interest of politicians and their supporters’ (Huber and Shipan, 2001: 2).

A *second hypothesis* hence suggests that, in order to contribute to effective policymaking, bureaucracies need to be constrained by measures and mechanisms ensuring civil servants’ accountability.

The concept of accountability is rather elusive, as it has come to stand as a general term for any kind of mechanism making organisations responsive to their public. Following Bovens’ (2007) interpretation, we define accountability as the obligation to explain and justify conduct.

To conclude, in spite of significant advancements in the literature, debate still exists on how effective states should balance bureaucratic insulation and accountability to ensure effective policy outcomes. Azulai et al. (2014) suggest that if the equilibrium between the two dimensions is tipped too far in favour of either of them, bureaucracies will risk either becoming too weak to oppose the politicians’ use of public goods for ***strategic*** politics, or becoming too powerful and seek rents. Yet, what the right balance is remains empirically ambiguous. The article’s remainder will explore the Turkish case and aim to shed more light on such debate.

**Methodology**

The paper draws from process tracing analysis and elite, in-depth semi-structured interviews, conducted between October and December 2014 in Turkey.4 The interviewees’ were selected integrating purposive and chain sampling techniques. First, officers occupying positions relevant for the project cycle were contacted. They were then asked to provide further contacts. A snowball selection of potential interviewees was hence nested into the initial purposive sampling.

The final sample includes 32 interviewees, of which 18 civil servants from the Ministry of Development, and 14 individuals from other organisations.5 In the selection of interviewees, the Ministry of Development was targeted preferentially because the organisation holds the main responsibilities for the coordination of public investment and regional policies. Local administrations can invest autonomously from Ankara. Yet, around 90% of their investment is still covered by the central budget. We hence focused our main attention on the Ministry on the ground that it is exactly the place where policies are developed. Interviews from external organisations were customarily used to cross-validate the correctness of information.6 Interviews lasted on average between 60 and 90 minutes, and were carried out in English and Turkish.

The ability to receive reliable and honest answers may be potentially limited by the author’s status as an outsider. Interviewees were hence accessed after having secured the support of individuals who could ‘warrant’ the interviewer’s trustworthiness. Previous work experience in the country and the use of Turkish in communication further helped ‘breaking into the bureaucratic black box’. Considering the sensitivity of the questions being asked, interviews were not recorded. Such decision was taken after running some pilot interviews, where respondents did not accept to be recorded. Since 2013, and following a massive corruption scandal involving Turkey’s former Prime Minister and other members of the Cabinet, the Government has significantly increased pressure on civil servants and worked to dismiss thousands of suspected political enemies from state organisations (Meyersson and Rodrik, 2014). We hence decided not to record any of the final interviews to avoid potential biases on some of the responses. Interviewees were also guaranteed anonymity. Overall, these precautions increased respondents’ eagerness to discuss personal and institutional conflicts more freely.

Last but not least, interviewees were asked to provide information on their most-followed media outlets, in order to ‘control’ for respondents’ heterogeneous political views. Findings were also coupled with secondary document collection, which served to cross-check the interviewees’ replies. Attention was particularly paid to the European Commission’s annual Reports on Turkey’s progress towards accession to the EU, the OECD’s annual Economic surveys on Turkey, and the Ministry of Development’s various ***programmes***.

**Empirical analysis**

The empirical results are presented in three sections. The first one explores the project cycle management functioning in Turkey. The following sections will subsequently test the two research hypotheses, and explore how the strengths and weaknesses of the project cycle can be linked to specific institutional characteristics of the Ministry of Development.

An analytical caveat must be taken into account. It is important to bear in mind that the analysis does not claim to conclusively map Turkey’s public investment policy process. Such endeavour would require an extensive exploration of not only the bureaucratic organisation, but also the politicians, and the overall public financial framework. Furthermore, it would require exploring not only the management and coordination of investment, but also the final implementation of projects by line Ministries. More modestly, the article’s aim is to provide novel empirical evidence on the overall functioning of the public investment management mechanisms.

**The public investment project cycle**

The public investment project cycle is based on the three pillars of ***strategic*** ***planning***, performance-based budgeting, and monitoring and evaluation of results.7 The Ministry of Development’s key responsibilities include the preparation of the annual project guidelines, the screening and approval of projects, as well as their overall coordination, monitoring, and evaluation. By contrast, the empirical implementation of investment projects is carried out by line ministries.

The selection of annual projects is based on a three-step process. The Ministry of Development first issues a circular directed to other public agencies stating each year’s specific objectives. Such circular should mirror the ***strategic*** priorities set in the Five-year and Medium-term Development ***Plans***. Second, all public organisations submit their ***programme*** proposals to the Ministry of Finance and the Ministry of Development, in charge of ensuring that projects comply with fiscal and ***planning*** documents respectively. A phase of negotiation then occurs between other line ministries and the Ministry of Development’s experts, before the latter agency finalises the investment ***programme***. The following quotes provide a glimpse on the procedure: ‘Experts look at project proposals and negotiate with their counterparts. Then a meeting is organised at the Ministry of Development. It’s a technical level meeting, sector by sector. These meetings last from August to September. In the whole Ministry, there may be more than 100 meetings. From line ministries there is staff attending not only from Strategy Departments, but also operational people. The final phase is the approval. Experts at the Ministry of Development put forward the proposals which they believe need approval. […] Such list of proposals then goes to the Director General. Only big issues are brought to upper levels e.g. controversial projects.’ (Interview number 21)‘Of course politicians propose projects, but we can try to convince them that hospitals are not needed where there are already four. We are strongly working at reducing inequalities in hospital provision across Turkey. Of course there are demands for useless hospitals, but we can frequently manage to reject unnecessary projects. […] Frequently our Minister and our General Managers have backed up our positions.’ (Interview number 26)***Programmes*** are subsequently approved by the High ***Planning*** Council (*Yüksek Pılanlama Kuruluşu,* HPC hereafter). The annual investment ***programme*** is eventually ratified by the Parliament. The investment project cycle is developed in a way to limit the direct influence of legislators (Wehner, 2010). As a matter of fact, Members of Parliament are unable to see the projects’ detailed figures. In other words, before the final publication of ***programmes***, parliamentarians can only express their views on the budget (and the related investment ***programme***) as a whole since the detailed project allocation is not disclosed. Because of such mechanism, changes introduced by the Parliament have often been minor (Özdemir-Tsarouhas, 2013), hence limiting the influence of individual legislators in seeking pork-barrelling allocations. The system is based on the idea that legislators can monitor policy outputs by assessing previous years’ ***plans***, and yet are prevented from influencing forthcoming ones.

Overall, the investment cycle is managed – at least formally – in line with international standards (OECD, 2004). Empirical evidence nevertheless suggests how it continues to be marred – at least in part – by two key types of flaws.

First, the system has traditionally suffered from inadequate targeting and a lack of focus on the most relevant priorities. The link between annual investment ***programmes*** and multiannual ***plans*** continues to be weak. The consequence is that ***strategic*** ***planning*** continues to be inadequate, with projects either proposed without clear overall strategies, or pushed by the government into the ***programme*** throughout the year. The following excerpts explain these issues: ‘There are the Five Year Development ***Plans***, the Medium Term ***Programmes***, the Annual ***Programmes*** and Investment ***Programmes***, and each ministry has its own ***plan***. All these documents were created to ensure a good coordination and good ***strategic*** ***planning***, but they are too many now and are not respected.’ (Interview number 1)‘If you read page 236 of the 2014 Investment ***Programme***, you understand that we should not invest at all in motorways but invest in other means of transport. But in the last years there have been 70 trillion TL investments in motorways. We allocate 4 trillion at the beginning of the year, and at the end they have become 9. [So how does it happen?] At the High ***Planning*** Council. If a project is above 100 million TL we send the project to it. We send reports saying that projects are good/bad, giving technical opinions. […] Yet, so far, I cannot remember even one case when they rejected a project after our evaluation. At the end, unless you get politicians away from populist approaches, all the ideas about effective ***planning*** rest on paper.’ (Interview number 25)Second, weak monitoring and ex-ante feasibility controls leads to inefficient projects. As the Eight Development ***Plan*** suggested, ‘even completed promptly, they [projects, A./N.] may not yield the anticipated benefits due to the insufficiencies in feasibility projects. […] Insufficiencies in monitoring as well as evaluation both restrain timely determination and elimination of breakdowns and curtail coordination among projects’ (State ***Planning*** Organisation, 2001: 226/227). This flaw is caused both by the insufficient procedures to carry out effective ex-ante controls by the Ministry of Development, and by the poor quality of feasibility studies submitted by public institutions to the Ministry. The following quote by a senior manager explains the second problem: ‘According to the Law 5018, you have to have a feasibility study analysing technical and financial feasibility, social impacts, etc. What is concretely the quality of those studies is another thing. I can show you one. This, I can read it in 15 minutes, and it does not say anything. Yet, if you tell the Ministry of Transport that a study is wrong, they have always answers [to put the project forward].’ (Interview number 17)The weaknesses in the availability of effective mechanisms to ex-ante evaluate projects at the selection phase is mirrored by an almost complete lack of on-going and ex-post monitoring and evaluation of approved projects. Numerous interviewees acknowledged such shortcoming as a key constraint on the agency’s performance.

The following two sections will discuss how the strengths/weaknesses of the project cycle can be linked to the Ministry of Development’s institutional characteristics.

**Bureaucratic insulation and policy effectiveness**

The weak independence of state organisations from the political elite has been one enduring feature of the Turkish state. Within this tradition, the military rulers who set up the SPO (now Ministry of Development) in 1963 designed the organisation as comparatively stronger and better insulated than most other Turkish public agencies. Rauch and Evans (1999) suggest how insulation and autonomy depend on some key ‘Weberian features’, namely: (1) meritocratic recruitment; (2) salary competitiveness with respect to other civil services and the private sector; (3) internal promotion; (4) and, last but not least, career stability. Compared to most other public organisations, the Ministry of Development scores relatively better in all four dimensions.

The SPO traditionally benefitted from a relatively meritocratic system of recruitment, which guaranteed the selection of competent applicants, as well as from salaries higher than other line organisations.8 As will be discussed later, the organisation has not been immune from nepotism and the preferential hiring of candidates based on political views, particularly since the 1980s. At the same time, however, most interviewees suggested how the agency has managed not to fully undermine the quality of new recruits. When asked whether the formal recruitment system has allowed keep nepotism (*torpillik*) relatively at bay in the Ministry, one head of department answered: ‘The [entry] examination is done by people from here. We work on candidates, and then give a list and the Minister selects among our list. […] Of course pressure on this kind of thing is always there. But […] we are the ones frying in the pan eventually. I will be the one to work until 9 in the evening. So it is in our interest to hire the best people.’ (Interview number 20)The quote confirms the importance of ‘internal control’ as a mechanism for the reproduction of ‘institutional quality’, in line with Rauch (1995)‘s theoretical framework. Marrying the Weberian state hypothesis to a principal-agent model, he argues that, in a bureaucracy overall effective in fulfilling its mission, each manager will have incentives to act as a principal and select and supervise their agents to ensure that they carry out their tasks.

Relatedly, the literature suggests how two other mechanisms are important for ensuring the effective working of agencies. The first one concerns whether career advancements are based on merit, rather than on other non-performance related factors. The second mechanism refers to the emphasis given to internal advancement over the selection of external candidates. Evans (1995) and Rauch (1995) extensively argue how, in settings where political pressure on appointments is high, civil service protection mechanisms are likely to be efficiency-enhancing. The following quote supports their hypothesis: ‘The Ministry of Development is not the Ministry of ***Agriculture***, or the one of Interior. The latter is the most political place on earth. There if you do something the top people don’t like, you are hanged. We are not a Weberian bureaucracy either. Yet, what we have is we still get promoted from within. […] Appointments are most of the time objective up to the level of Director General. Then they have to be supporters of the party. But even then they must have some capacity. In a normal Ministry, if you want to get appointed you go to the Minister, or to MPs. […] The culture here normally doesn’t work like that.’ (Interview number 6)Indeed, out of the current 15 top managers of the Ministry (Minister, Vice-Minister, Undersecretaries and General Directors), only two do not have spent their entire professional life within the organisation before being appointed to their current position.

Overall, the evidence seems to confirm the existence of a capable organisation with purposive authority. The effectiveness of the public sector crucially depends on the characteristics of its agents (Azulai et al., 2014). The public employees’ insufficient skills level has traditionally been a problem for the provision of public services in Turkey (State ***Planning*** Organisation, 2006). The peculiar place occupied by the SPO/Ministry of Development within the broad public sector can be hence grasped comparing the organisation’s human resources with other public agencies (Table 1). The former fares in particular better than its counterparts in the highest levels of educational attainments, with almost 32% of its staff possessing a graduate degree or a higher diploma, as opposed to less than 25% in the Treasury, 21% in the Ministry of Economy, and only 6.5% in the Ministry of Labour and Social Security, and 3.2% in the Ministry of Finance. Table 1.Distribution of personnel across different ministries according to educational status in 2014 (%).

| **Organisation** | **Educational attainments** |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Elementary school** | **Secondary school** | **Associate degree** | **Undergraduate degree** | **Graduate degree** | **PhD** |
| Ministry of Development | 1.5 | 6.5 | 8.8 | 51.5 | 28.5 | 3.2 |
| Treasury | 1.7 | 11.6 | 8.3 | 53.7 | 22.7 | 2.2 |
| Ministry of Economy | 3.0 | 12.0 | 8.0 | 56.0 | 21a |  |
| Ministry of Finance | 3.5 | 14.5 | 10.7 | 68.1 | 3.1 | 0.1 |
| Ministry of Labour and Social Security | 2.4 | 10.6 | 8.1 | 73.4 | 5.7 | 0.8 |

Source: Ministry of Development, Ministry of Finance, Treasury, Ministry of Labour and Social Security.aData include both Graduate and higher qualifications.

Interestingly, the Ministry of Development has also traditionally given emphasis to the ‘socialisation’ of new recruits to its ‘institutional norms’ by pairing junior experts to senior staff for long periods, as well as by supporting logistically and financially members of staff in the achievement of graduate degrees in top foreign universities. The following excerpt by one bureaucrat explains how ‘socialisation’ into the organisation’s formal, *as well as* informal, institutional norms is considered as a key characteristic of the Ministry: ‘I think that highly trained personnel are more prone to resist against political pressure from above. […] I think that compared to the initial selection, more important is the training of personnel. Here […] each new assistant expert is assigned to an expert. In other ministries, there may be 10 new people for each expert. So they don’t learn the institutional culture.’ (Interview number 16)In spite of institutional characteristics comparatively stronger than most other Turkish public agencies, the analysis suggests that the concrete mechanisms through which the Ministry of Development operates have not been immune from flaws. The remainder of this section will explore how the organisation has in particular suffered from insufficient insulation and autonomy from the executive in carrying out its activities.

During the 1980s, in particular, non-legal political pressure on personnel started to creep into the SPO via the recruitment of new staff through a separate process to bypass the formal examination. Aside from its budgetary effects, the expansion of personnel has had implications on the organisation’s implementation capacity (World Bank, 1997). Numerous interviewees stressed such problem, arguing that the excessive increase in the number of new personnel hired has jeopardised the agency’s capacity of ‘socialising’ new recruits. As an interviewee explains: ‘In the past our salary regime was higher than other organisations. So we were selected as the cream of the available personnel. […] There are still residuals of that culture. But in the last 10 years we hired too many people, so it is difficult to transmit these values to new people. […] Why were people hired? That is political!’ (Interview number 2)Besides, while there are mechanisms to ensure a relative insulation from the legislative, the organisation is not independent from the government. This should be no surprise, since the SPO was statutorily designed as an advisory organisation attached to the Prime Ministry, and now is a fully-fledged ministry. Institutional changes in the project cycle have nonetheless altered, throughout the decades, the scope of the bureaucrats’ ability to make their voice heard by their principal. As many interviewees suggest, a locus where technical decisions are frequently overruled is the High ***Planning*** Council. While initially composed of the Prime Minister, four Ministers and four top managers from the SPO, following the Decree Law no. 223/1984 and Law no. 304/1987 bureaucrats have been removed from the Council. Since then, the government has had full power to modify investment ***plans*** prepared by the bureaucracy.

The main channel of ‘control’ of the political principal over the bureaucratic agent’s policies is hence not the Parliament and its sectorial committees (cf. Weingast and Moran, 1983) but, rather, the Prime Minister and the Cabinet (cf. Moe and Wilson, 1994). The top bureaucrats’ stronger role into the HPC was initially foreseen by the military interim government which established the SPO in the 1960s. According to the literature on democratic accountability discussed earlier on, the substitution of top-bureaucrats with elected ministers may mark a positive transition towards a more accountable and democratic system. At the same time, however, in a setting where politicians have frequently embraced inefficient and unsustainable policies purely aimed at garnering votes, the changing balance of power between bureaucrats and politicians within the Council has had implications for the sound management of public funds.

Indeed, over the years a number of economically dubious investment projects have been burdening the public investment portfolio. As Gönenç et al. (2005) suggest, these projects were often launched in response to central and local political pressures. This drifts worsened in periods such as the 1990s. Figure 1 shows the average number of projects included each year in the annual investment ***programme*** between 1992 and 2014, as well as the average completion time of projects (for the years available). The number of projects included into each year’s ***programme*** peaked in the mid-1990s, to start decreasing only in the early 2000s. Figure 1.Number of total investment projects included in each annual ***programme*** (left axis), and average completion rate of projects (right axis) (1992–2014).Source: own elaboration on data from Turkey’s ministry of development.

Following the late 1990s and early 2000s political and economic crisis, the SPO was assigned in 2001 the task to identify the least efficient projects and prepare an investment rationalisation ***programme***. Under the loom of new crises, and willing to comply with the EU accession negotiations, the government followed these recommendations (OECD, 2004). Evidence hence suggests that Luca and Rodríguez-Pose (2015)‘s results on the relatively limited extent of pork-barrelling in the late 2000s are not only explained by the Ministry of Development’s capacity, but are also contingent on the government’s willingness to implement and follow the post-2001 ‘good governance’ reforms and fiscal control. The following quote by one of the bureaucrats supports this claim: ‘Fiscal control gave us opportunities during the management of this government. […] Of course [in the past the system] was not working because of political interferences. Actually I think [the system] worked in the 1960s, in the 1970s, and in a way still the 1980s because of the preferences of Ozal’s government. But in the 1980s it started to decline and of course went down in the 1990s.’ (Interview number 2)Along with the strong power of the government to influence investment decisions irrespective of the technical project cycle, another factor undermining the technical management relates to inadequate staffing within the Ministry of Development. Pointing to the road network projects within the transport sector, which for example in 2013 accounted for more than three billions of Turkish Lira (around one billion of US dollars), one manager explains: ‘Formally there is no space for political pressure. The procedure is formally very technical. Do you ask me if it concretely works? Check how many people work on each sector: on road projects there are only three people working. This implicitly politicizes the process.’ (Interview number 23)Last but not least, pressure to pass investment projects primarily motivated to garner votes derives not only from external actors, but also from part of the management within the organisation. The fact that politicians increasingly managed to influence bureaucratic recruitment and promotion patterns in turn increased the sensitivity of bureaucrats – particularly at the top level – to signals emanating from the political class (Biddle and Milor, 1995). The following quote explains this phenomenon: ‘We are different than other ministries, but it happens that we feel the pressure, that we are said ‘this is a key project, if we don’t accept it that will be an issue’. If we write very negative and strong assessment reports we would put politicians in a difficult corner, so this leads us to write reports in a more nuanced and softer way. [Who tell you?] It’s top managers. They may tell that ‘this is a key project. I know it’s not economically feasible but it’s “socially” viable.’ […] There is closeness (*samimiyet*) between top bureaucrats at the SPO and people in the political sphere.’ (Interview number 25)To conclude, in spite of some caveats, the analysis overall supports the first research hypothesis. Results partly confirm Biddle and Milor (1995) who, more than 20 years ago, argued that it is less the absence of bureaucratic capacity than the lack of bureaucratic insulation to undermine the organisation’s effectiveness.

**Bureaucratic accountability and policy effectiveness**

While the findings have confirmed how bureaucratic insulation is a key precondition to contrast politicians’ attempts to drive the policy process towards clientelistic and populist outcomes, the second research hypothesis suggests how devices to monitor bureaucrats’ actions are nonetheless an important factor to reduce moral hazard among civil servants (Page, 2010). The analysis equally provides evidence in support of such hypothesis. Interestingly, the very limited existence of mechanisms to ensure bureaucrats’ accountability – a significant flaw in Turkey’s investment project cycle – is determined not only by factors external to the Ministry of Development, but also by resistance to change originating *within* the organisation.

Policy output measures are instrumentally essential to allow accountability. Yet, only an extremely limited amount of personnel is in charge of the monitoring and evaluation of projects: according to one of the interviewees, probably only five members of staff (i.e. around 0.06% of the organisation’s total employees) are concretely devoted to the task. The following quote describes such shortcoming: ‘I think this is the weakest part of our project cycle. Sometimes we ask for realisations, we also carry out some site visits. [But] there is no formal evaluation. If we did, it would have a big influence on project effectiveness. So now we continue making the same mistakes.’ (Interview number 21)Biddle and Milor (1995) reported the opinion of staff members that collecting data on performance would be like ‘playing Russian roulette’. Most interviewees provided similar arguments, adding that monitoring and evaluation has never been a priority for the management. One ***planning*** expert recounts: ‘The SPO historically did not have capacity [on this area]. But there has been no interest too. [… For example] we conducted a monitoring and evaluation project with the World Bank in 2007–8. […] But sectorial managers did not even attend our meetings regularly.’ (Interview number 3)Interestingly, the top management’s focus on the monitoring of performance seems to have decreased along the years: ‘The first big change in the SPO was done in 1994. At that time the Coordination Department was closed. […] We were monitoring all projects’ realisations; we were issuing public investment expenditure reports each quarter. Now we don’t do that! […] By closing that department, those functions were cancelled.’ (Interview number 1)Overall, both the interviews’ findings and the policy documents (in particular the Eight Development ***Plan***) suggest that monitoring and evaluation procedures have been applied unsystematically and lack overall coherence. The substantial lack of mechanisms aimed at ensuring internal accountability has constrained the bureaucracy’s commitment to achieve better performance.

Page (2010) identifies five main accountability mechanisms, each classified according to the nature of the accountor: (1) the executive; (2) the legislative; (3) intra-bureaucratic controls; (4) judicial powers; (5) and, last but not least, interest groups and the wider public. While the organisation is liable to the government, the flaws in the mechanisms aimed at ensuring the agency’s external accountability to the other accountors are even more striking. Projects are recorded with no common classification criteria, so any external in-depth ex-post analysis on single investments projects is extremely difficult. Besides, project codes between the national budget prepared by the Ministry of Finance and the investment ***programme*** prepared by the Ministry of Development do not coincide. As Yavuz (2014) suggests, this is not a casual flaw, but rather a ***planned*** expedient to avoid the Parliament’s and the Court of Accounts (*Sayıştay*)’ auditing controls – which focus on the national budget, not the investment ***programme***. In other words, the bureaucratic and political elites may have colluded. Such collusion between top bureaucrats and the government resembles recent evidence put forward by Page (2010). In contrast to conventional rational choice and principal-agent frameworks, which stress the potential for conflict between bureaucrats and politicians, he argues that the incentives for bureaucrats can work entirely in the same direction as the ones for (ministerial) politicians. Indeed, as one of the interviewees explains: ‘From a political point of view, this was done to avoid the audit function of the parliament. Both the audit system and the control of the Court of Accounts work on the budget, not on the investment ***programmes***. So the system was created to avoid control. And from a bureaucratic point of view, the lack of standards was beneficial to give more comfort to the top managers. So there was connivance between the top bureaucrats and politicians.’ (Interview number 23)While further research on this area is needed, it is possible to speculate that one of the reasons why the parliament never tried to reform the system might be related to the functioning of political parties. Similarly to the case of Mexico explored by Langston (2001), in Turkey party leaders have traditionally had strong influence over party members. Parties’ candidate lists are compiled by leaders, while a national electoral threshold of 10% prevents dissidents from separating from their party to form a new one. The strong-executive/weak-parliament has therefore induced strong discipline from party members and reduced dissent among legislators.

**Conclusion**

The research empirically aimed to explore what is the role played by Turkey’s Ministry of Development in ensuring that public investment management remains focused on publicly-oriented goals, as opposed to becoming a tool for particularistic redistribution and electoral rewarding. Confirming key insights from the developmental state literature (Amsden, 1989; Evans, 1995; Evans et al., 2014; Rauch and Evans, 1999; Wade, 1990), results show how the existence of an authoritative and relatively well-staffed organisation directing the project cycle was instrumental to ‘sound’ management. Results suggest how the organisation is quite well insulated from individual legislators, but not vis-a-vis the government, and hence its ability to implement effective policies is contingent on the political context. Recent research on the relatively limited scope of pork-barrelling allocations in Turkey (Luca and Rodríguez-Pose, 2015; Luca, 2016) might hence be contingent to the stable political environment of the 2000s and the AK Party government’s willingness to comply, during their first years in office, with the fiscal reforms adopted after the 2001 economic crisis. In comparison, in periods such the 1990s, when the political system was ‘in a state of flux’ (Sayarı, 2002), the bureaucracy was unable to shield from executives’ pressure and deliver. The analysis also uncovers areas where the bureau needs reforms. Nevertheless, it overall underlines how strong state administrations insulated from political powers are a key precondition for the delivery of effective developmental policies across cities and regions.

While the analysis stresses the importance of strong and autonomous bureaus, it does not argue the case for a traditional ‘top-down’ bureaucratic structure. Many researchers have indeed underscored the risks linked to overly relying on the central state and the lack of grass-root participation in local and regional development ***programmes*** (Ashworth et al., 2007; Bosch et al., 2012; Jaramillo and Wright, 2015; Steelman, 2001), or the risks of wrong policy choices caused by a central planner lacking information about local needs (Dulupçu, 2005). Yet, results are a reminder of how a capable and strong central bureaucracy shielded from political power is a prerequisite to limit the problems which frequently cause ‘democratic failures’ (Besley, 2006) around the world.9

The analysis uncovers resistance from part of the bureaucracy against the implementation of measures which would increase the efficiency of both investment projects and the organisation as a whole. Interestingly, such resistance was not contrasted by the bureaucrats’ principal. In other words, in opposition to standard principal-agent models, which stress the role of elected politicians in containing ‘bureaucratic drift’, the principal and their agent seem to have, somehow, colluded (Busuioc and Lodge, 2016; Yavuz, 2014). The Turkish case hence shows how it is essential that bureaucrats are held accountable not only to politicians, but also to a wider range of ‘third parties with an oversight role’. This finding contributes to moving the theoretical debate on bureaucrats’ liability beyond ‘narrow’ principal-agent frameworks, to embrace ‘broader’ accountability devices (Busuioc and Lodge, 2016). Recent research for example points to the key association between mechanisms of participatory democracy (Jaramillo and Wright, 2015), as well as public monitoring (Reinikka and Svensson, 2011), and more effective development policies. Indeed, as suggested by Heper (1992) long ago, Turkey needs reforms aimed at overall increasing citizens’ participation in the policy process and taxpayers’ monitoring over public spending. While introducing citizen participation in the investment project cycle is perhaps unrealistic, increasing the transparency of the state and allowing a stronger oversight of policy performance by the public and the media are yet essential. Conversely, transformations which reduce the powers of the old top bureaucracy to increase the indiscriminate control by the ruling government – such as the ones which have occurred in recent years – will not lead to stronger institutions, but merely ***produce*** different – and in some ways more pernicious (Meyersson and Rodrik, 2014; Özcan and Gündüz, 2015a, 2015b) – ineffective and unsustainable structures.

**Notes**

1.Empirically, effectiveness is hence defined as the extent to which the allocation of public investment has remained focused on the publicly oriented goals of increasing the overall national welfare and/or reducing the inter-regional disparities in people’s income and capabilities, as opposed to becoming a tool used for short-term, purely ***strategic*** purposes (Biddle and Milor, 1995). The depiction of the two policy objectives as completely dichotomous is a heuristic device. In the real world, the distinction between the two ideal types may be blurred, in the sense that policies might be aimed at electoral rewarding and yet address social objectives.; 2.The analysis follows a *typical-case* approach to the selection of the context studied (Gerring, 2007), with the SPO being a typical example of technocratic developmental organisation.; 3.Interestingly, a country such as South Korea – one of the most discussed examples of effective developmental states – has been characterized by centralised and purposive authority structures, to the extent that it shared characteristics with fascist states of interwar Europe and Japan (Kohli, 2004).; 4.Four of the interviews were conducted during a pilot research phase between October 2012 and September 2013.; 5.Namely: six from the Ministry of Finance, one from the Undersecretary of Treasury, one from the Ministry of Transport, two from the EU Delegation to Turkey, one expert from Turkey’s Economic Policy Research Foundation, and three key public policy scholars. Cf. the appendix for more details.; 6.In line with the key role played by the Ministry of Development in the project cycle, Section 4 will mostly present and discuss quotes from the organisation’s personnel. The quotes presented are the ones which were confirmed – directly and indirectly – by the ‘interviewees’ control group’ and by external sources.; 7.The project cycle was significantly modernised with the approval of Law 5018/2003. This was passed following an unsustainable path of populist and clientelistic drifts culminated in the 2001 economic crisis (Bakır, 2009; Önis, 2003; Uğur and Yankaya, 2008). The recession’s devastating impacts triggered a complete political change in the 2002 elections, and the adoption of many landmark public administration reforms. Consistently with the paper’s main argument on the importance of strong and capable bureaucracies, it is important to stress how such reforms were pushed through a coalition led by top bureaucrats, think-tanks, and business organisations, as well as with the external support of the World Bank, the IMF, and the EU.; 8.Salaries were yet equalised to line ministries with the transformation of the SPO into the Ministry of Development.; 9.While the current analysis focused on the central state, further research should be perhaps devoted to explore how regional development policies are influenced by the institutional characteristics of sub-national public agencies (cf. Milio, 2007). This is particularly relevant considering the literature showing how the quality of government at the local and regional level is key for regional development (Rodríguez-Pose, 2013).

**Bibliography**

**REFERENCES**

Amsden A, (1989) Asia’s Next Giant: South Korea and Late Industrialisation, Oxford: Oxford University Press.

Ashworth R, Snape S, Aulakh S, (2007) Plugging the accountability gap? Evaluating the effectiveness of regional scrutiny. Environment and ***Planning*** C: Government and Policy 25(2): 194–211.

Azulai M, Bandiera O, Blum F, et al. (2014) State Effectiveness, Growth, and Development, London: International Growth Centre.

Bakır C, (2009) Policy entrepreneurship and institutional change: Multilevel governance of central banking reform. Governance 22(4): 571–598.

Bendor J, Moe TM, (1985) An adaptive model of bureaucratic politics. American Political Science Review 79(3): 755–774.

Bertelli AM, Grose CR, (2009) Secretaries of pork? A new theory of distributive public policy. The Journal of Politics 71(03): 926.

Besley T, (2006) Principled Agents? The Political Economy of Good Government, Oxford: Oxford University Press.

Biddle J and Milor V (1995) Institutional influences on economic policy in Turkey. A thee industry comparison. PSD Occasional Working Paper No. 3. Washington, DC: The World Bank.

Blaydes L, (2010) Elections and Distributive Politics in Mubarak’s Egypt, Cambridge: Cambridge University Press.

Bosch N, Espasa M, Mora T, (2012) Citizen control and the efficiency of local public services. Environment and ***Planning*** C: Government and Policy 30(2): 248–266.

Bovens M, (2007) Analysing and assessing public accountability. A conceptual framework. European Law Journal 13(4): 447–468.

Busuioc EM, Lodge M, (2016) The reputational basis of public accountability. Governance 29(2): 247–263.

Chang KH, de Figueiredo RJP, Weingast BR, et al. (2001) Rational choice theories of bureaucratic control and performance. In: Shughart WF, Razzolini L, (eds) The Elgar Companion to Public Choice, Cheltenham: Edward Elgar, pp. 271–292.

Diaz-Cayeros A, Estévez F, Magaloni B, (2016) The political logic of poverty relief: Electoral strategies and social policy in Mexico, Cambridge: Cambridge University Press.

Diaz-Cayeros A, Magaloni B and Weingast BR (2007) Tragic brilliance: Equilibrium party hegemony in Mexico. Unpublished manuscript, Department of Political Science, Stanford University.

Downs A, (1967) Inside Bureaucracy, Boston: Ed B Little.

Dulupçu MA, (2005) Regionalization for Turkey: An illusion or a cure? European Urban and Regional Studies 12(2): 99–115.

Echeverri-Gent J, (1992) Between autonomy and capture. Policy Studies Journal 20(3): 342–364.

Eisner MA, (1993) Bureaucratic professionalization and the limits of the political control thesis: The case of the Federal Trade Commission. Governance 6(2): 127–153.

Evans PB, (1995) Embedded Autonomy: States and Industrial Transformation, Princeton: Princeton University Press.

Evans PB, Huber E, Stephens J, (2014) The political foundations of state effectiveness. In: Centeno M, Kohli A, Yashar D, (eds) State Building in the Developing World. Unpublished manuscript.

Gerring J, (2007) Case Study Research. Principles and Practices, Cambridge: Cambridge University Press.

Golden M, Min B, (2013) Distributive politics around the world. Annual Review of Political Science 16(12): 1–27.

Gönenç R, Leibfritz W and Yılmaz E (2005) Reforming Turkey’s Public Expenditure Management. OECD Economics Department Working Paper No. 418. Paris: OECD.

Güneş -Ayata A, (1994) Roots and trends of clientelism in Turkey. In: Roniger L, Gunes-Ayata A, (eds) Democracy, Clientelism, and Civil Society, Boulder, London: Lynne Rienner Publisher, pp. 49–64.

Heper M, (1985) The State Tradition in Turkey, Tallahassee: Eothen Press.

Heper M, (1992) The strong state as a problem for the consolidation of democracy. Turkey and Germany compared. Comparative Political Studies 25(2): 169–194.

Heper M, Keyman F, (1998) Double-faced state: Political patronage and the consolidation of democracy in Turkey. Middle Eastern Studies 34(4): 259–277.

Huber JD, Shipan CR, (2001) Deliberate Discretion? The Institutional Foundations of Bureaucratic Autonomy, Cambridge: Cambridge University Press.

Jaramillo M, Wright GD, (2015) Participatory democracy and effective policy: Is there a link? Evidence from rural Peru. World Development 66: 280–292.

Kalaycıoğlu E, (2001) Turkish democracy: Patronage versus governance. Turkish Studies 2(1): 54–70.

Knutsen CH, (2013) Democracy, state capacity, and economic growth. World Development 43: 1–18.

Kohli A, (2004) State-Directed Development. Political Power and Industrialisation in the Global Periphery, Cambridge: Cambridge University Press.

Langston J, (2001) Why rules matter: Changes in candidate selection in Mexico’s PRI, 1988–2000. Journal of Latin American Studies 33(3): 485–511.

Lewis DE, (2007) Testing Pendleton’s premise: Do political appointees make worse bureaucrats? Journal of Politics 69(4): 1073–1088.

Luca D, (2016) Votes and regional economic growth: Evidence from Turkey. World Development 78: 477–495.

Luca D, Rodríguez-Pose A, (2015) Distributive politics and regional development: Assessing the territorial distribution of Turkey’s public investment. The Journal of Development Studies 51(11): 1518–1540.

Meyersson E, Rodrik D, (2014) Erdogan’s Coup. The true state of Turkish democracy. Foreign Affairs 26(May): 8–11.

Milio S, (2007) Can administrative capacity explain differences in regional performances? Evidence from structural funds implementation in Southern Italy. Regional Studies 41(4): 429–442.

Moe TM, Wilson SA, (1994) Presidents and the politics of structure. Law and Contemporary Problems 57(2): 1–44.

Moon C-I, Prasad R, (1994) Beyond the developmental state: Networks, politics, and institutions. Governance 7(4): 360–386.

Niskanen WA, (1971) Bureaucracy and Representative Government, Chicago: Aldine-Atherton.

Niskanen WA, (2001) Bureaucracy. In: Shugart WF, Razzolini L, (eds) The Elgar Companion to Public Choice, Cheltenham: Edward Elgar, pp. 258–270.

OECD (2004) OECD Economic Surveys: Turkey, Paris: OECD Publishing.

Olsen JP, (2015) Democratic order, autonomy, and accountability. Governance: An International Journal of Policy, Administration, and Institutions 28(4): 425–440.

Önis Z, (2003) Domestic politics versus global dynamics: Towards a political economy of the 2000 and 2001 financial crises in Turkey. Turkish Studies 4(2): 1–30.

Özcan GB, (2000) Local economic development, decentralisation and consensus building in Turkey. Progress in ***Planning*** 54(4): 199–278.

Özcan GB, (2006) A critical analysis of decentralisation and local economic development: The Turkish case. Environment and ***Planning*** C: Government and Policy 24(1): 117–138.

Özcan GB, Gündüz U, (2015a) Energy privatisations, business-politics connections and governance under political Islam. Environment and ***Planning*** C: Government and Policy 33(6): 1714–1737.

Özcan GB, Gündüz U, (2015b) Political connectedness and business performance: Evidence from Turkish industry rankings. Business and Politics 17(1): 41–73.

Özdemir-Tsarouhas U (2013) Good governance in conditions of globalisation and Europeanisation: public financial management in Turkey from a policy transfer approach. Unpublished PhD thesis. Middle East Technical University, Ankara.

Page EC, (2010) Accountability as a bureaucratic minefield: Lessons from a comparative study. West European Politics 33(5): 1010–1029.

Piattoni S, (2001) Clientelism, Interests, and Democratic Representation, Cambridge: Cambridge University Press.

Rasul I and Rogger D (2013) Management of bureaucrats and public service delivery: Evidence from the Nigerian civil service. Unpublished manuscript. University College London.

Rauch JE, (1995) Bureaucracy, infrastructure, and economic growth: Evidence from U.S. cities during the Progressive Era. The American Economic Review 85(4): 968–979.

Rauch JE, Evans PB, (1999) Bureaucracy and growth: A cross-national analysis of the effects of ‘Weberian’ state structures on economic growth. American Sociological Review 64(October): 748–765.

Reinikka R, Svensson J, (2011) The power of information in public services: Evidence from education in Uganda. Journal of Public Economics 95(7–8): 956–966.

Rock MT, (2009) Has democracy slowed growth in Asia? World Development 37(5): 941–952.

Rodríguez-Pose A, (2013) Do institutions matter for regional development? Regional Studies 47(7): 1034–1047.

Sayarı S, (1977) Political patronage in Turkey. In: Gellner E, Waterbury J, (eds) Patrons and Clients in Mediterranean Societies, London: Duckworth, pp. 103–130.

Sayarı S, (2002) The changing party system. In: Sayari S, Esmer Y, (eds) Politics, Parties, and Elections in Turkey, Boulder, London: Lynne Rienner Publisher, pp. 9–32.

State ***Planning*** Organisation (2001) Eight Development ***Plan*** 2001–2005, Ankara: SPO Publishing.

State ***Planning*** Organisation (2006) Ninth Development ***Plan*** 2007–2013, Ankara: SPO Publishing.

Steelman TA, (2001) Elite and participatory policymaking: Finding balance in a case of national forest ***planning***. Policy Studies Journal 29(1): 71–89.

Uğur M, Yankaya D, (2008) Policy entrepreneurship, policy opportunism, and EU conditionality: The AKP and TÜSİAD experience in Turkey. Governance 21(4): 581–601.

Wade R, (1990) Governing the Market: Economic Theory and the Role of the Government in East Asian Industrialisation, Princeton: Princeton University Press.

Weber M, (1921) Economy and Society, New York: Bedminster Press.

Wehner J, (2010) Legislatures and the Budget Process. The Myth of Fiscal Control, London: Palgrave Macmillan.

Weingast BR, Moran MJ, (1983) Bureaucratic discretion or congressional control? Regulatory policymaking by the Federal Trade Commission. Journal of Political Economy 91(5): 765–800.

World Bank (1997) World Development Report 1997: The State in a Changing World, Oxford: Oxford University Press.

Yavuz M (2014) Kamu yatırımı programı icin bir analiz denemesi: Bomonti Kampusu. Unpublished manuscript, Ankara University.

**Load-Date:** March 29, 2024

**End of Document**



[***How can urban and local leadership teams navigate the impending international relations revolution? A practitioner viewpoint***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BNK-C111-DY41-73XD-00000-00&context=1516831)

Local Economy: The Journal of the Local Economy Policy Unit

June 2017

Copyright 2017 Sage Publications, Inc. All Rights Reserved



**Section:** Pg. 273-280; Vol.32; No.4; ISSN: 0269-0942, 1470-9325

**Length:** 3490 words

**Byline:** David Marlow

**Body**

**ABSTRACT**

The practice of cities and regions nurturing external and international relations has been part of their roles and functions literally for millennia. More than ever, in an era of globalisation, international breakdown and dysfunction, local leaders need to look outward, identify their localities' international opportunities and challenges, and put in place measures to address them. This viewpoint is based on a briefing the author ***produced*** for LGIU (Local Government Information Unit -a think tank owned by UK local authority members) in November 2016. It outlines the case for UK LAs, with neighbours and partners as appropriate, to recognise the importance of a coherent approach to international affairs through the BREXIT negotiation period and beyond. It suggests a framework for formulating this approach, and draws on some examples of internationalisation that are already established and operating. It also suggests opportunities for local government as a sector to influence Government’s priorities and approach. This may be better promoted across relevant LA associations, with partners (e.g. LEPs, universities, NGOs, etc.) and at UK as well as individual nation level.

**FULL TEXT**

**Introduction**

At a recent workshop of a local leadership team in non-metropolitan England, one delegate commented ruefully “With Trump and Kim Jong-Un competing for the ‘most irrational, most unstable global leader' designation, and the UK determined, at best, to provoke a period of intense turmoil in relations with our nearest and closest neighbours, how can I lead public policy development for cities and communities in my area?”.

It is a fair question! And although I gave a ‘simple' answer, executing my response is far from easy.

More than ever, in an era of globalisation, international breakdown and dysfunction, local leaders need to look outward, identify their localities' international opportunities and challenges, and put in place measures to address them.

Formulating and delivering an international strategy might not appear a top priority amidst immediate economic, societal, and financial pressures. But it may be an essential part of positioning cities and communities for long run success.

This practitioner viewpoint draws heavily on a briefing the author ***produced*** for LGIU (Local Government Information Unit – a think tank owned by UK local authority members) in November 2016 (Marlow, 2016). It sets out the rationale for and parameters of such an exercise, and how it might be delivered.

**Background**

The practice of cities and regions nurturing external and international relations has been part of their roles and functions literally for millennia. City states preceded nation states by many centuries. For smaller municipalities and rural areas, activities like town-twinning have been a feature of civic relations for well over a century.

In the UK – arguably the most centralised of modern advanced economies – sub-national foreign relations have tended to be frowned upon by national government. The public and media also scrutinise foreign relations (especially overseas visits) particularly closely and often critically.

Nevertheless, there have been very significant external initiatives of sub-national tiers of government in the UK, taking many forms.

The Scotland Government seeks a high international profile. London’s recognition as Europe’s premier ‘world city’ involves deep and broad international relations. Overseas offices of English regions have been operated (in the RDA era). Brussels offices and participation in international and particularly EU transnational ***programmes*** by local authorities have continued under Coalition and Cameron governments. Cities and regions bid to host international events – including recently the Tour de France in Yorkshire and Birmingham’s bid for the Commonwealth Games in 2026.

Following the EU referendum, the UK’s positioning internationally will change profoundly. National government’s major tasks for an extended period will focus on BREXIT and its knock-on consequences. The involvement of Scotland, Wales, Northern Ireland governments, English intermediate (e.g. London and Combined Authorities) and local government (LA) in this process is uncertain and contested.

Given how controversial and distracting the referendum fall-out is, and will continue to be, the local temptation to ‘keep one’s head down’ and ‘stick to the knitting’ will be intense. However, cities and regions who wish to achieve their economic and social ambitions need to understand the specific international context in which they are operating, leverage the opportunities these present and mitigate the risks.

**The case and agendas for LA international strategies**

The argument that in an era of increasing globalisation place becomes more, rather than less important is well established (see for instance, Barca et al., 2012). Capital, goods, people and ideas can travel between places at unprecedented pace – but they tend to concentrate and agglomerate in specific metro economies and accessible, attractive neighbours.

In the UK context, Philip McCann's (2016) diagnosis of the UK regional problem is getting widespread exposure and debate. His recent presentation at the City Horizons event restated the profound, extreme and increasing spatial imbalances across the UK in almost every aspect of economic and social prosperity. These are essentially between a London mega-region, to a lesser extent Scotland, and ‘the rest'. The highly centralised UK state, with its ‘fastest growing' narrative based on the distortions of the world city, is chronically incapable of addressing these divergences.

These challenges may be anticipated to increase as the uncertainties of BREXIT negotiation and new top down national policies unfold. They will play out differentially in, for instance, the London mega-region, devolved nations and different areas of England. For local authorities, and LA-led intermediate sub-regions or regional structures, understanding and acting on their positioning in the global economy will become increasingly important economically and socially.

The ‘business cases’ for making this effort (in a time of already large complex agendas and resource constraints) is compelling. LA *place and community-leadership roles* make them the necessary enablers of any place-based international review – singly or with relevant neighbours and partners.

The post-referendum context raises several ***strategic*** place-based international questions that LAs need to work with partners to answer.

**Profile and reputation**

How do cities and regions wish to be known internationally? In a period where Government policy is detaching the UK from the EU and seeking to restrict movement of people, how can cities and regions present themselves as welcoming generally, and open for business?

Different LA areas, city and sub-regions have differential challenges and starting positions in this regard. For instance, rightly or wrongly, the perception of the average LEAVE area in many key national and global markets is ‘older, rural, less skilled, and living outside the metropolitan centres’. The perception of REMAIN areas tends more to ‘younger, urban, skilled, and from a major city’. In the longer run, the types of (high value, knowledge-based) businesses and talented people cities and sub-regions seek to attract for their local growth ambitions are more likely to gravitate towards areas with REMAIN characteristics.

**Local economic and business impact**

Understanding the local economy and anticipating exposure of local business to trade and investment changes will be particularly important. The LAs role includes advocating business priorities and concerns to Government; giving local businesses confidence that they will be supported during periods of uncertainty; and coordinating local responses to any economic shocks and setbacks.

A key dimension of business and employment impact concerns the reliance of particular industries on migrant workers. For instance, NHS and care sector non-UK employees nationally amount to around 15%. Land-based and ***agricultural*** processing industries are also heavily reliant on migrant workers. LAs may wish to: understand which local businesses and services rely particularly on non-UK labourreaffirm that non-UK workers are welcome and valued in their areatrack national and regional policy changes vis-a-vis migrant workers (for instance, there have been suggestions that some migrant worker policies might come within scope of devolution agreements)

**Inward investment**

Beyond the existing local economy, LAs need to contribute to their area’s new offer in global markets. UK has been the largest recipient of foreign direct investment (FDI) for a number of years. At the least, this will change as we cease to be the obvious location of choice as the gateway to the EU internal market. Clarifying, developing and promoting the area’s assets, capabilities and offer to global investors requires reworking post-referendum. Establishing arrangements with new national departments and approaches (BEIS, DIT, etc.) should be part of this process.

**Immigration and social cohesion**

LAs have different levels and character of resident ethnic communities living and/or working in their areas. In the UK as a whole, latest ONS figures identify the non-UK population as 13% of all residents, with just under 5% from the EU. However, non-UK densities range from over 50% in three London boroughs and 35% in Leicester to under 6% in the North East and Wales.

Understanding the dimensions of these very different local communities, reassuring and supporting them where necessary, working with them as positive assets of the area will be important and potentially highly positive aspects of any new international strategy. At the same time, LAs will have concerns to mitigate localised hate crimes and community tensions.

**International students and universities more generally**

The future scale and character of international students studying in the UK will have a major impact on local universities and thereby their roles as anchor institutions in cities and towns. There are over 300,000 international students currently studying in UK universities. This represents approaching 10% of undergraduates and 30% of post-graduates. Typically, non-EU students pay much higher fees than UK students.

Whilst the decline of £sterling may make UK ***programmes*** more competitive, the potential rise in fees for EU students AND the continued insistence by May (although not shared by some of her Cabinet) of including student numbers in the immigration regime is forecast to lead to declines in numbers over the BREXIT period.

Some universities are particularly exposed to any dramatic drop in international intake. Thirteen universities are reported as having more than 20% international undergraduates (eight in London, but also St Andrews, Buckingham, two in Liverpool and Lancaster). Seven universities have more than 50% international postgraduates (three in London, Cardiff Metropolitan, Coventry, Sunderland and Birmingham).

Alongside students, many universities are highly reliant on international (including EU) research and development income, and ALL have benefitted from the UKs former profile as a very open, welcoming country.

Local universities will be major role players and participants in any refreshed local international strategy. There is a genuine set of risks that BREXIT will represent an existential threat to some university anchor institutions – with huge implications for the future of their local areas. LAs need to work closely with their local universities to attempt to mitigate adverse impacts.

**Funding and *programme* relations**

Some local authorities and/or local partners (including businesses, universities and civic/community groups) benefit significantly from participation in EU and other international collaboration ***programmes***. The EU Interreg ***programmes***, for instance, have a budget of €10bn up to 2020 covering a breadth of themes of interest to LAs. There are also non-EU sources of international LA cooperation resources.

These types of ***programmes*** provide useful co-financing for LA R&D activity and can sometimes lead to wider relations with partner places.

These sources of funding are likely to be submerged in the larger issues of UKs changing relations with EU structural funding and EIB. Nevertheless, individual LAs should assess their participation in current international funding ***programmes*** of this character – with a view to either orderly withdrawal, or for alternative sources of finance. Collectively, there may be merit in the LA sector (with partners) ensuring future international funding for collaborative ***programmes*** is on the agenda of the UK negotiating teams.

**LA associations**

Many UK LAs are active participants in EU and international LA associations (e.g. Eurocities, IULA, City Mayor’s Foundation, etc.). Refreshing how and when to engage in international associations is another task some LAs may wish to consider as part of any review of their international positioning. It might also be a collective agenda for the sector (e.g. in terms of status within EU LA-based institutions).

**Societal challenges and organisational learning**

Underpinning much of the case for LA-based international strategy is the character of societal challenges faced by all leaders of place (aging, migration, climate change, sustainable development, etc.). Connectedness and learning from ‘best of class’ globally are essential to addressing these challenges effectively. Any international review should at least consider existing relations for their contribution to tackling these issues locally; and appraise proposals for new relations in these terms (in addition to any immediate local economic or social dividends).

Putting the above together, an illustrative starting framework for ***producing*** the ‘business case’ for future international strategy at LA, city-region and sub-regional levels is shown below. This will also include consideration of specific LA dimensions of the overall UK BREXIT negotiations process.

**Applying the agendas – Selected examples**

If the above framework is considered useful, a follow-up question concerns learning from current ‘best practice’ in LA ***strategic*** approaches to internationalisation.

Greater Manchester (GM) is a reference point of what can be achieved collectively by LAs and partners working across a functional economic area. The GM approach includes: Clear international references in the Greater Manchester Strategy ‘Stronger Together’ – albeit this stops short of an explicit international chapter. Future LA, city or sub-region growth strategies should include international insight and consider the case for a distinctive section or strategy.A major institutional delivery body. Greater Manchester Growth Company is an umbrella for the group of companies that deliver GMs economic development priorities. In terms of internationalisation, it includes, an international advisory board, Marketing Manchester, Visit Manchester, MIDAS (inward investment agency), and a branded Trade Advisory Service.A number of specific strategies by subject (e.g. Visitor Economy) or partner (e.g. most universities have their own explicit international strategy or chapter in their ***strategic*** ***plan***). These strategies focus on distinctive elements of Manchester’s international agenda.A profile and some protocols with relevant arms of Government – DIT (formerly UKTI), Visit England, Innovate UK, etc. These are sometimes two-way – for instance GMs own China Forum and Wuhan sister-city agreement assisting DIT as well as DIT supporting Manchester. It is challenging for smaller city regions or individual LAs to replicate the sophistication and reach of the GM arrangements. However, LAs need to be aware that many aspects of these agendas are competitive. Places with global ambitions do resource these functions seriously – both in the UK and internationally. London and Partners and Scottish Development International (SDI) have even more extensive ***programmes*** than GM, as do many European (e.g. FRM GmbH Frankfurt) and international (e.g. Invest-Toronto) cities.

As recognised above, it is easier to mobilise these types of approach at scale and with an existing international brand. However, mid-size and smaller places are also able to deliver significant international benefits locally.

For instance, Essex County Council’s links with Jiangsu Province in China over 25 years has brought economic but also civic exchange, and even influenced activity in the county (e.g. the Chinese language learning ***programmes*** in schools).

Leicester has nurtured strong business and community links with India, China (partly through its indigenous BME communities) and is now developing relations with Thailand following Leicester City FCs Premier league success under its Thai owners.

Many LAs (and partners like universities) use EU regional collaboration ***programmes*** to strengthen or build civic links – and vice versa (i.e. use civic links to anchor bids for transnational funding).

Most local authorities offer some levels of support to inward investment and to wider international business and civic links.

The challenge is to put all these ***interventions*** together into a coherent whole, to nurture and leverage them for mutual value over the longer term.

**Towards differential international regimes during the BREXIT process?**

A further major issue for LAs is whether Government will either choose or be compelled to negotiate differential post-BREXIT regimes in different geographies of the UK.

This will absolutely be required with Northern Ireland and the open border with the Republic. Scotland Government seems determined to craft a distinctive relationship with the EU post-BREXIT, with an option of considering a second independence referendum should the UK government be overly obstructive. Were Scotland to win concessions, these are likely to also be sought by Wales and probably some England regions and sub-regions.

Government itself has indicated that it could seek special status for either specific industries or those areas where those industries are concentrated. The NISSAN example and Sunderland is probably the most notable example to date. Although Government has avoided spelling out details, options like ‘free zones’ around ports and/or in supply chain clusters have been mooted.

Similarly, further special dispensations for post-BREXIT asymmetric regimes have been suggested bottom up – for the City of London financial services sector; for regional or city immigration quotas; for special treatment of Universities and international students among others.

Whilst undoubtedly these types of proposition add complexity to Government BREXIT negotiations, there is no reason for LAs not to formulate and campaign if there is a valid local benefit to accrue. There are various national and EU legal foundations for these deals – from the legislation establishing the devolved Governments and London’s arrangements to potentially the Sustainable Communities Act and the European Grouping for Territorial Cooperation (EGTC). We know from Nissan that Government will make ad hoc deals, although whether they can deliver them is another matter!

LAs, CAs and partners should consider what international regime would best support their ambitions, and then formulate a proposition to promote this ‘ask’. The LA sectors – in England, Scotland, Wales and Northern Ireland – may wish to collaborate to press the case for LA having influential ***strategic*** voice(s) in negotiations which fundamentally change the international context in which their cities and communities can flourish.

**Conclusions**

The EU referendum and the May Government’s execution of the result have fundamentally changed the way UK cities and communities will be impacted by and engage with globalisation in the future. It has not, though, removed globalisation’s impact and the need for ambitious places to engage.

This viewpoint outlines the case for LAs, with neighbours and partners as appropriate, to recognise the importance of a coherent approach to international affairs through the BREXIT negotiation period and beyond. It suggests a framework for formulating this approach and draws on some examples of internationalisation that are already established and operating.

Ongoing BREXIT negotiations may present opportunities for LA as a sector to influence Government’s priorities and approach. This may be better promoted across relevant LA associations, with partners (e.g. LEPs, universities, NGOs, etc.), and at UK as well as individual nation level.

As stated in the introduction, the argument is relatively simple. But doing this type of work well is not easy. However, the alternative is essentially a default to government to determine local places international positioning top down. For the devolution practitioner, now is the time to step up and look outwards.

**Bibliography**

**REFERENCES**

Barca F, McCann P, Rodriguez-Pose A, (2012) The case for regional development ***intervention***: place-based versus place-neutral approaches. Journal of Regional Science 52: 1.

Mc Cann P (2016) The UK Regional-National Economic Problem. London: Routledge.

Marlow D (2016) Local government in international affairs post-referendum. November, London: LGIU.

**Load-Date:** March 29, 2024

**End of Document**



[***Register of Commission documents: Annex Comprehensive list of actions to the COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK A stronger and renewed strategic partnership with the EU's outermost regions Document date: 2017-10-25 COM\_COM(2017)0623(ANN01) COM documents***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R65-4NS1-F0YC-N1FP-00000-00&context=1516831)

Impact News Service

December 13, 2017 Wednesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 9128 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

 EN EN EUROPEAN COMMISSION Strasbourg, 24.10.2017 COM(2017) 623 final COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK A stronger and renewed ***strategic*** partnership with the EU's outermost regions {SWD(2017) 349 final} 2 1. INTRODUCTION The nine outermost regions - Guadeloupe, French Guiana, Martinique, Mayotte, Reunion Island and Saint-Martin (France), Canary Islands (Spain), the Azores and Madeira (Portugal) - are an extraordinary asset for the European Union (EU). They enrich the EU economically, culturally and geographically. They give it ***strategic*** access to the seas and provide it with unique natural assets, hosting 80% of its biodiversity. However, their remoteness, small size, vulnerability to climate change and for most of them insularity1 pose challenges for their development and hinder their integration in the internal market. The special situation of the outermost regions has been recognised since 1999 by the EU treaties and since 2009 under Article 349 of the Treaty on the Functioning of the European Union (TFEU), which enables them to benefit from specific measures in key EU policies such as ***agriculture***, cohesion and competition. Between 2014 and 2020 the European Structural and Investment Funds and a dedicated scheme on ***agricultural*** measures (the POSEI Regulation)2 provide almost EUR 13.3 billion to the outermost regions - an important source of investments and job creation.

This includes two specific allocations in the fields of regional development and fisheries to compensate for the additional costs faced by these regions because of their particular situation3. Furthermore, specific rules apply to the outermost regions in areas such as State aid4, with regard to operating and investments aids, as well as in taxation and customs, to help boost their competitiveness. This significant public support from the EU develops infrastructure, provide services for the population, create jobs, invest in education and skills and increase businesses' competitiveness. It also helps enhance and diversify ***agricultural*** activities, preserve the environment and addresses climate change. The accompanying Staff Working Document reviews the implementation of the measures proposed in the 2012 Strategy and provides detailed information on the socio-economic situation of the outermost regions. Despite the progress that they have made over the years, the outermost regions continue to face serious challenges, which are further amplified by globalisation and by climate change. Their development is fragile. Most of them need to invest in basic infrastructure - such as roads, water and waste management facilities - and their economy depends on a limited number of economic sectors5. Their constraints including remoteness bring additional costs to their companies, primarily small and medium sized enterprises (SMEs), impeding their full participation in the single market. The evolution of the political, economic and social situation in the outermost regions over the past years - rising unemployment rate, especially alarming among the youth, and, for some of them, growing irregular migration and social crises – is a cause for concern. Between 40% and 55% of 1 The outermost regions are all islands with the exception of French Guiana. 2 ***Programme*** d'Options Spécifiques à l'Éloignement et Insularité (POSEI) - Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for ***agriculture*** in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006 (OJ L 78, 20.3.2013, p. 23). 3 The Outermost Regions benefit from a specific additional allocation under the European Regional Development Fund (ERDF) and a compensation regime under the European Maritime Fisheries Fund (EMFF). 4 In accordance with Article 107(3)(a) TFEU. The 2014 State aid reform as well as the recent General Block Exemption Regulation reform take account of the situation of outermost regions. Exceptional rules for these regions will now apply with regard to operating and investment aids in all sectors, in addition to other specific aid schemes. 5 ***Agriculture*** and fisheries contribute more than double to the outermost regions' economy compared to the EU average: 3.8% of these regions' added growth against 1.6% at EU level. 3 young people are unemployed in these regions. For some of the outermost regions, the divergence in the level of development, wealth, and economic and social opportunity between these regions and continental Europe remains critical. And the devastation caused by hurricanes in September 2017 - in particular in Saint-Martin - sheds new light on the vulnerability of these territories, just as extreme weather conditions are likely to occur more frequently in the future. There is a clear need to improve efforts to enable the outermost regions to reap fully the benefits of EU membership and harness globalisation. A more robust and better tailored approach is necessary to create an enabling framework for their development and offer equality of opportunities to their citizens. While they share certain common challenges, they are different from each other and each outermost region has its own specific needs. The policy responses need to take this into account. Moreover, not all solutions to the outermost regions’ challenges lie at the EU. Member States are first and foremost responsible for the economic and social development of their respective outermost regions in particular in key areas such as health and education. And the outermost regions themselves should invest additional efforts to unlock their endogenous growth potential. At the same time, the EU should provide a better enabling framework to maximise the impact of these efforts and continue taking into account the interests of the outermost regions in areas of EU competence, such as trade. This Communication presents the Commission’s new approach to how to galvanise the development of the outermost regions by making the most of their assets and tapping into the opportunities provided by new vectors of growth and job creation. This entails, in particular, providing stronger recognition of their specificities and needs. It also requires concrete and coordinated actions to be taken at EU and national level, as well as by the outermost regions themselves (the detailed list of actions is provided in the Annex). And it involves a strengthened partnership between these regions, their Member States and the EU institutions. This new approach is based on the lessons learned from the implementation of the previous strategy6 and on wide exchanges with representatives of the outermost regions, including through the 4th Outermost Regions Forum held in Brussels on 30-31 March 2017. It builds on the proposals submitted by these regions to the President of the Commission, and contributions from the European Parliament7 and Member States. Any initiative having budgetary implications will duly follow the annual budget procedures and cannot prejudge the next Multi-Annual Financial Framework post-2020. A new governance based on a strong partnership While being a part of the EU and of its single market, the outermost regions are different in many respects. Under its new, proactive, approach, the Commission will better take into account their needs and foster EU policies that better suit their situation, by ensuring that their specificity is consistently taken into account in its initiatives whenever relevant. This entails adapting EU policies to their circumstances, as many of the proposed actions in this Communication aim to do, without undermining the coherence of the Union's legal order. This means finding a balance between treating the outermost regions as European regions with all the rights and obligations involved and acknowledging proactively their specific geopolitical and economic context. 6 COM(2012) 287 final, 20.6.2012 7 European Parliament resolution of 6 July 2017 (2013/2178(INI), Rapporteur: Younous Omarjee; European Parliament resolution of 27 April 2017 (2016/2016(INI), Rapporteur: Ulrike Rodust. 4 This approach takes into account the judgement of the European Court of Justice of December 20158 which clarified the scope of application of Article 349 TFEU. In line with its Better Regulation Guidelines9 and in particular its procedures on territorial impacts, the Commission will assess any significant impact on the outermost regions to inform policy design and to devise appropriate mitigation measures whenever needed. The identification and analysis of such impacts, as well as the evaluation of the impacts of existing legislation on the outermost regions, relies upon the existence of reliable data and the engagement of those stakeholders with the best knowledge of the specificities prevailing in the outermost regions. Accordingly, Eurostat and national statistics institutes are encouraged to work together to improve the reliability of their data and to refine statistics, which currently do not fully reflect the outermost regions' specificities and risk biasing the results. In addition, stakeholders are encouraged to take part in the Commission's consultation and feedback mechanisms to give their views and provide evidence of impacts on outermost regions. Assessing the impact on these regions is particularly important when the EU concludes and reviews international agreements. The outermost regions' interests may be particularly sensitive in some trade or fisheries agreements. It is essential, therefore, to ensure informed continuous dialogue and exchange of information between the Commission, Member States and the regions at all stages of negotiations. The outermost regions are encouraged to express their interests and specific concerns through all available tools such as the consultations carried out in the framework of the impact assessments for the launch of trade agreements negotiations and the sustainability impact assessments carried out during the negotiations. In addition to the existing tools to express the interests of the regions, the Commission will provide an ad hoc platform facilitating the exchange of views with the outermost regions and relevant stakeholders to exchange views at all stages of EU policymaking and implementation. This should allow the Commission, when specific issues arise, to present initiatives that better exploit their assets and answer their concerns. And it should help review the efficiency of relevant EU policies on the ground as well as identify growth opportunities. This platform will bring together the Commission, national and outermost regions' authorities, as well as other relevant players. In addition to having a broad platform gathering all the outermost regions, the Commission will also take action to support individual regions having specific concerns. When an outermost region identifies such a concern that requires joined up action by relevant stakeholders, the Commission will launch where appropriate a dedicated task force to address that issue and assist through appropriate measures. The Commission will:  Set up an ad-hoc platform to exchange views on the interests and concerns of outermost regions, bringing together the Commission, national and outermost regions' authorities, as well as other relevant players;  Launch dedicated task forces to address specific needs of an individual outermost region, as necessary;  Ensure that the concerns and interests of the outermost regions are taken into due 8 C-132/14 Judgment of the Court of 15 December 2015. 9 [*https://ec.europa.eu/info/better-regulation-guidelines-and-toolbox\_en*](https://ec.europa.eu/info/better-regulation-guidelines-and-toolbox_en) 5 consideration as relevant in impact assessments and policy evaluation;  Continue paying special attention to sensitive products from the outermost regions in the framework of trade agreements with third countries; cooperate with the Member States to better involve the outermost regions in negotiations regarding fisheries. 2. BUILDING ON THE OUTERMOST REGIONS' ASSETS The outermost regions have unique assets that could be better exploited for cutting-edge research and innovation in areas such as bioeconomy10 or climate change, including on measures to reduce greenhouse gases by testing low-carbon transport and energy efficient solutions. Their natural assets include, in particular:  Rich biodiversity – a buffer against storm and flood surges, the basis for key economic sectors including tourism, fisheries, forestry, ***agriculture*** and for growing sectors, such as natural bio products, biomedicine and cosmetics;  Significant exclusive economic zones offering opportunities for developing the blue economy and making them important players in international ocean governance;  Location and climate suitable for activities in the fields of space and astrophysics;  Proximity to third countries' markets to facilitate exchanges, including trade and investments. In addition, the outermost regions have remarkable societal assets: a rich cultural heritage, which together with their biodiversity and natural landscape makes them attractive tourism destinations; European know-how, providing a solid base for their enterprises, as well as quality education. These assets should be better exploited to generate jobs and business opportunities; the outermost regions should focus their efforts on areas where they have comparative advantages, as identified in their smart specialisation strategies, and on traditional activities important for creating employment. The Commission encourages the outermost regions to explore an appropriate funding mix for grants and financial instruments combining different national, regional and European sources of funding. To value their assets and optimise their development through new opportunities, the outermost regions should make the best out of the available financial support, including the European Fund for ***Strategic*** Investments. In addition, the outermost regions should make most use of the possibilities offered by the European Investment Advisory Hub and the European Investment Project Portal. The Commission will:  Set up with the European Investment Bank Group a dedicated initiative, including through advisory support from the European Investment Advisory Hub, for the outermost regions, to enhance their access to the European Fund for ***Strategic*** Investments. 10 In line with the EU Bioeconomy Strategy - COM(2012) 60, 13.2.2012 6 Blue economy A sustainable blue economy should contribute to the socio-economic development of all outermost regions. At present, progress towards it is uneven. While the intensity of activities is different in each region, the patterns of growth and shortcomings are similar. The traditional marine and maritime sectors, such as fisheries11, shipping, coastal and cruise tourism, provide jobs for the local population while new sectors such as marine renewable energy, aquaculture and blue biotechnology are still insufficiently developed. Developing the blue economy will require ***strategic*** ***planning*** and investments. For instance, fisheries could be managed in such a way as to increase the income of local fishermen while exploiting resources at sustainable levels. Larger tourism flows could be accompanied by water saving measures and development of desalination plants powered with renewable energy to meet the growing demand for water12. Marine resources should be used to develop blue biotechnology beyond current niche markets; in particular, projects using algae to ***produce*** cosmetics, food or biofuels could be further scaled up. The outermost regions should set up blue economy strategies to improve synergies between public policies and investments, and should facilitate access to finance for small-scale operators through micro-credits and financial instruments (such as loans and guarantee funds). Member States should step up the collection of scientific data and support for fisheries and marine research, adopt fisheries management measures, explore, where feasible, the possibility to restrict fishing within a 100 miles zone to vessels registered in the outermost regions13. They should also strengthen their efforts in the fight against illegal fishing; the Commission will put this issue on the agenda of the relevant cooperation and economic agreements with third countries. The Commission will:  Consider specific measures (including a compensation regime) for the outermost regions under new EU ***programmes*** to support the sustainable development of fisheries and other blue economy sectors14;  With regard to fleet capacity, evaluate by the end of 2018 the current 'entry/exit' scheme15 and propose, as appropriate, amendments;  Take into account specific needs of the outermost regions when launching calls to support blue economy under the European Maritime Fisheries Fund;  Consider allowing State aid for the construction of new vessels in the outermost regions subject to conditions ensuring sustainable fisheries. 11 The outermost regions have mainly small-scale fishing vessels. Industrial and long distance fishing fleets are also based in these regions, supplying raw material to locally important fish processing industries. 12 COGEA et al., Realising the potential of the Outermost Regions for sustainable blue growth, Publications Office of the European Union, 2017. 13 In line with Article 5(3) of Regulation (EU) No 1380/2013 of the European Parliament and of the Council of 11 December 2013 on the Common Fisheries Policy, amending Council Regulations (EC) No 1954/2003 and (EC) No 1224/2009 and repealing Council Regulations (EC) No 2371/2002 and (EC) No 639/2004 and Council Decision 2004/585/EC (OJ L 354, 28.12.2013, p. 22). 14 Building, inter alia, on the findings of the 2017 report GOCEA et al., see footnote 12. 15 For each EU country a fishing fleet capacity ceiling is established. In the case of the outermost regions, a specific, detailed fleet capacity system is set out in Regulation (EU) No 1380/2013. New fishing vessels may enter the fleet only after the same fleet capacity is removed. 7 ***Agriculture*** and rural development ***Agriculture*** and rural development are an important part of the outermost regions' economy. The EU ***agricultural*** scheme for the outermost regions (POSEI) and rural development ***programmes***, which together represent half of the total allocation for the outermost regions under the European Structural and Investment Funds16, contribute to modernising ***agricultural*** production in a sustainable way and to increasing the competitiveness of the agri-food sector. In addition, rural development ***programmes*** support actions to restore, preserve and enhance biodiversity in ***agriculture*** and forestry, and promote economic development in rural areas. Together with the European Innovation Partnerships for ***Agricultural*** Productivity and Sustainability, they support research and innovation. Furthermore, the revised EU rules on State aid, the General Block Exemption Regulation17, which now also covers ***agriculture***, will make it easier to grant State aid in this sector, enabling fresh investments. The outermost regions should promote investments in new technologies for ***agriculture*** and rural development, as well as use and develop the tools of risk management (insurance against economic losses, mutual funds, income stabilization) provided by the European ***Agricultural*** Fund for Rural Development (EAFRD) Regulation18. They should also increase the number of recognised Community or national quality schemes for ***agricultural*** products and foodstuffs, encourage the participation of farmers in these schemes, and support the promotion of these products including through the outermost regions' logo on the EU and international markets19. The Commission will:  Seek the continuation of the POSEI Regulation20, without prejudice to the negotiations foreseen for the future multiannual financial framework;  Seek to maintain specific provisions for the outermost regions in the European ***Agricultural*** Fund for Rural Development. Biodiversity The biodiversity in the outermost regions represents a unique heritage for Europe and the world. Several economic sectors in the outermost regions, including tourism, fisheries, forestry and ***agriculture***, depend directly on it. Moreover, healthy ecosystems provide crucial goods for society, for instance clean air and water, and contribute to climate change adaptation and mitigation. 16 The Common ***Agricultural*** Policy allocates EUR 6.1 billion to the outermost regions between 2014 and 2020. 17 Commission Regulation (EU) No 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs (OJ L 156, 20.6.2017, p. 1). 18 Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European ***Agricultural*** Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487). 19 Regulation (EU) No 1144/2014 of the European Parliament and of the Council of 22 October 2014 on information provision and promotion measures concerning ***agricultural*** products implemented in the internal market and in third countries and repealing Council Regulation (EC) No 3/2008 (OJ L 317, 4.11.2014, p. 56). 20 See footnote 2. 8 The EU’s Common ***Agricultural*** Policy supports this through different instruments such as agri-environment-climate measures or support for sustainable forest management, co-funded by the EAFRD. Furthermore, since 2010, the BEST initiative21 promotes the conservation of biodiversity and the sustainable use of ecosystem services in the outermost regions and the Overseas Countries and Territories through small size projects seeking to unlock the local potential. Several projects on biodiversity in the outermost regions were also funded under the financial instrument for the environment (LIFE) since 2012. In addition, the outermost regions and the relevant Member States should work together with partners from Overseas Countries and Territories and African-Caribbean-Pacific countries on promoting common objectives on biodiversity in international agreements. The Commission will:  Building on the experience of the BEST initiative, consider providing specific support for the conservation of biodiversity and the sustainable use of the ecosystems services22, including for climate adaptation in the outermost regions and Overseas Countries and Territories in the new EU ***programmes***. Circular economy The circular economy is a promising area of growth supporting endogenous development in the outermost regions. Accelerating the transition toward a circular economy is particularly important in these small and remote territories, dependent on imported resources. Waste management can be particularly challenging because of limited infrastructure for waste treatment, lack of economies of scale for waste collection, treatment and recycling. This situation is aggravated in some cases by a growing population and seasonal tourism peaks generating large amounts of waste. As a result, several outermost regions send waste to their mainland. Pursuing the circular economy also provides business opportunities, and fosters innovation and job creation. The solutions developed by the outermost regions could be replicated in other territories looking for an efficient use of resources, including islands. Certain outermost regions have developed good practices and methods – such as the use of bio-waste as compost in the public parks in the Canary Islands, the use of banana molecule in bio-cosmetics in Martinique, the development of a renewable energy reversible system for hydroelectric production in Madeira. The Member States and the outermost regions should analyse the potential of the circular economy to generate growth and employment in these regions and identify priority projects - including sustainable tourism. They should enhance appropriate waste management to increase the separate collection of waste, develop local compost of organic waste, re-use of products, repair and recycling and encourage waste prevention. They should further improve the promotion of environmentally-friendly practices, including organic farming, and methods of sustainable management of natural resources in ***agriculture*** and forestry through Common ***Agricultural*** Policy instruments. The Commission will: 21 Voluntary Scheme for Biodiversity and Ecosystem services in Territories of European Overseas   [*http://ec.europa.eu/best*](http://ec.europa.eu/best) 22 These are currently funded by the BEST initiative. 9  Propose a project topic under the LIFE 2018-2020 work ***programme*** on waste to address the waste management problems encountered by the outermost regions; support these regions in becoming testing locations for circular economy pilot projects, in the LIFE ***programme***;  Consider introducing provisions to facilitate the shipments of waste from the outermost regions to neighbouring countries for treatment through the review of the Waste Shipment Regulation foreseen by 31 December 2020. Climate change The outermost regions are particularly vulnerable to a range of specific climate change impacts, in particular to the rise of the sea level and extreme weather events such as the hurricane Irma that hit Saint Martin23. In such situations, the European Commission's Emergency Response Coordination Centre can provide help, including via the EU Civil Protection Mechanism. The EU Solidarity Fund24, which provides support to rebuild regions hit by disasters, contains specific provisions for the outermost regions, enabling funding to be disbursed from a lower threshold of damage. The Commission will assess the implementation of the EU Solidarity Fund in the outermost regions in the context of the broader evaluation of the fund, to be completed in 2018. Member States and the outermost regions should regularly update the specific needs, risks and vulnerabilities of the outermost regions, including possible adaptation measures, to be tackled in regional or national approaches to climate change adaptation and disaster risk management. They should support exercises, training and exchange of best practices in the context of the EU Civil Protection Mechanism, including in areas relevant to prevention and preparedness and, where relevant, associate the outermost regions' neighbours. The Commission will:  Strengthen the outermost regions’ dimension in the EU’s instrument for environment and climate action (LIFE), by including outermost regions' preparedness for extreme weather events as a new policy area for Climate Change Adaptation under the 2018-2020 work ***programme***;  Launch a preparatory project on climate change adaptation in the outermost regions in 2019 in consultation with Member States and the outermost regions;  Integrate the specific adaptation challenges of the outermost regions in the review of the 2013 EU adaptation strategy25. Energy 23 European Environment Agency: 'Climate change, impacts and vulnerability in Europe 2016':   [*https://www.eea.europa.eu/publications/climate-change-impacts-and-vulnerability-2016*](https://www.eea.europa.eu/publications/climate-change-impacts-and-vulnerability-2016) 24 Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Solidarity Fund (OJ L 311, 14.11.2002, p. 3). 25 EU Strategy on adaptation to climate change:   [*http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0216:FIN:EN:PDF*](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0216:FIN:EN:PDF) 10 The outermost regions often benefit from better renewable energy resources than mainland Europe. But these are not being used to their full potential due to technical, economic and legislative barriers26. Being unconnected to continental energy grids, the majority of the outermost regions are still dependent on costly imported oil for their electricity production: this also requires a subsidy for oil purchase; otherwise electricity prices would be too high. Considering their often confined energy systems, there is a potential for outermost regions to underline their role as frontrunners in the clean energy transition by implementing sustainable energy solutions. Increasing the outermost regions' energy self-sufficiency will represent significant economic benefits, in terms of growth, competitiveness and local job creation while contributing at the same time to the implementation of the EU energy and climate policy goals. The outermost regions set up an 'energy network' in 2014 to cooperate on sustainable energy solutions and most of them are testing and developing renewable options. But further efforts and investments are necessary, in particular in marine renewable energy (ocean thermal energy, waves energy, off-shore wind energy) in combination with innovative storage technologies, as well as increased energy efficiency technologies and clean transport solutions, which all have strong potential for the outermost regions. The outermost regions are indeed prime candidates to test sustainable energy systems and promote local and renewable energy communities. But they can only reap these opportunities fully if their respective Member States adapt their legislation to their needs. In particular, State aid rules allow Member States to provide support schemes to renewable energy development in the outermost regions that take into account the real costs of ***producing*** electricity instead of the national electricity benchmark prices. The Member States should ensure that their legislation and schemes support the development of renewable energy and energy efficiency in these regions (e.g organisation of auctions specifically for the outermost regions, local taxation schemes, development of electricity grids and storage capacity). National provisions on energy efficiency in the building sector, which transpose the Energy Performance of Buildings Directive27, can be adapted to take into account local conditions28. Moreover, the outermost regions should take a leading role on clean energy transition, in line with the Clean Energy for EU Islands29 initiative, launched with the Clean Energy for all Europeans package. With EU support, the outermost regions are also investing in improving their energy efficiency. And as transport accounts for more than half of their primary energy consumption, the outermost regions are starting to promote electric mobility. The EU energy legislation, including some of the latest proposals30, offers opportunities and incentives for them to become energy self-sufficient. The outermost regions should organise campaigns informing the population and local communities on the payback to invest in renewable and energy efficiency. 26 See 2017 Energy outermost regions experts report:   [*http://ec.europa.eu/regional\_policy/en/information/publications/reports/2017/expert-group-report-on-energy-for-the-eu-outermost-regions*](http://ec.europa.eu/regional_policy/en/information/publications/reports/2017/expert-group-report-on-energy-for-the-eu-outermost-regions) 27 Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13). 28 In line with Article 1 of this Directive. 29 Political Declaration of 18 May 2017 signed by the Commission and 14 EU Member States (Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Malta, Portugal, Spain, and Sweden). 30   [*https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition*](https://ec.europa.eu/energy/en/news/commission-proposes-new-rules-consumer-centred-clean-energy-transition) 11 The Commission will:  Mainstream within the EU and internationally through the Clean Energy for EU Islands initiative the good practices developed by the outermost regions. 3. ENABLING GROWTH AND JOB CREATION The outermost regions have adopted smart specialisation strategies31 to support investments in research and innovation under the 2014-2020 European Regional Development Fund ***programmes***. These strategies identify assets and promising sectors to explore, taking into account each region's strengths and constraints - in particular the small size of their companies, low number of researchers and a limited offer of support services. These strategies allow the outermost regions to focus their investments

on key regional priorities and sectors with high potential, and strengthen collaboration among universities and research centres, businesses and regional governments. They should be regularly assessed, with the involvement of relevant stakeholders, to reorient priorities according to technological progress and the emergence of new markets. Research and innovation Research and innovation as well as technology transfers are crucial for enabling the outermost regions to become frontrunners in many promising sectors. The outermost regions host world-class research and operational centres, such as the Institute of Astrophysics in the Canary Islands, the Guiana Space Centre, or hold high-level international events on themes such as biodiversity32. They experiment with emerging activities related to ocean life, volcanology, energy and telemedicine. The outermost regions are well placed to benefit from and should seize new opportunities for commercial markets for space activities. This includes the growing micro-satellite market seeking to satisfy growing needs, particularly in the fields of near-space video, low-orbit or telecommunications. In line with the space strategy for Europe adopted in 2016, the Commission will support market uptake which includes accompanying activities such as access to investment and risk finance. It will also support aggregating the demand of European launchers for the Galileo and Copernicus ***programmes***. However, the participation of most of the outermost regions in the EU research ***programmes*** is still insufficient and could be significantly increased. Action needs to be taken at several levels to achieve this, including through participation in international cooperation under these ***programmes***. As a first step, a dedicated Coordination and Support Action, with a budget of EUR 4 million, will be set up in the Horizon 2020 work ***programme*** 2018-2020, to enhance the participation of the outermost regions in the EU’s research ***programme*** and the visibility of their research and innovation capacities and smart specialisation priorities by valorising their assets. This should also help explore their specific challenges for which research and innovation could bring solutions. This action will allow mapping the outermost regions' capacities in their research expertise fields and, on this basis, matching potential European and international partners that could strengthen their 31 See Communication 'Strengthening Innovation in Europe's Regions: Strategies for resilient, inclusive and sustainable growth' - COM(2017) 376 final, 18.7.2017 32 International conferences on biodiversity, Reunion Island (2008), Guadeloupe (2014) - [*http://www.guadeloupe.developpement-durable.gouv.fr/IMG/pdf/communique\_conference\_bio.pdf*](http://www.guadeloupe.developpement-durable.gouv.fr/IMG/pdf/communique_conference_bio.pdf) 12 capacity further. It will also support them in setting up consortia to prepare project proposals. And it should inspire the design of the future EU Research Framework ***Programme*** to further enhance their effective participation. Moreover, to move up a gear in research and innovation, the outermost regions and their Member States should assess these regions' needs for long-term investments. And they should also set up contact points in each outermost region, linked to the National Contact Points, to disseminate information on research opportunities and organise awareness-raising campaigns. The Commission will:  Launch a dedicated Coordination and Support Action (EUR 4 million) in the Horizon 2020 work ***programme*** 2018-2020 to enhance the capacities of the outermost regions to participate in the EU’s Research Framework ***Programme***;  Give particular attention to the outermost regions' assets and specific needs when drawing the future EU Research Framework ***Programmes***. Employment, education and training The outermost regions are among the EU's regions with the highest unemployment rate, in particular among young people33. The Commission, in close cooperation with the Member States, supports people from the outermost regions to adapt their skills to new production systems and technologies, in particular to the digitisation of the economy, through the European Social Fund, the European Regional Development Fund and the European ***Agricultural*** Fund for Rural Development, as well as through the Youth Employment Initiative. In Reunion Island for instance, the E2C (École de la 2ème chance) develops the personal competences, autonomy and confidence of disadvantaged people based on a partnership with companies. Pursuing the same objectives, a ***programme*** in French Guiana involved local young people for one year in construction works for the Ariane project at the European Space Center. But efforts to equip their students and workers with the adequate qualifications in important sectors such as the blue, green or digital economy to enable them to find jobs in their region or outside, should clearly be stepped up. Increased mobility of learners and staff in education and training, notably under the Erasmus+ ***programme***, would be highly beneficial for the outermost regions. The European Solidarity Corps provides further opportunities for young people to engage and support communities, while developing skills and acquiring valuable human and professional experience. In the area of higher education, the Commission will further promote the existing opportunities for mobility and capacity building through targeted awareness raising campaigns organised in close cooperation with the national agencies. It has already significantly increased the financial support for participants travelling from and to the outermost regions since the launch of Erasmus+ and will further adjust this support as from the calls for 2018. Moreover, the specific funding rules for the outermost regions under the Erasmus+ will apply to the European Solidarity Corps. This will provide increased support for travel costs for participants coming from and going to the outermost regions. The Commission will also explore possibilities to extend regional Erasmus+ cooperation in the 33 Between 17 and 27% in Martinique, French Guiana, Guadeloupe, Reunion Island, Canary Islands and Mayotte. More than 40% of youth unemployment in all outermost regions, more than 50% in Canary Islands and Mayotte (Eurostat 2016) and in Madeira (Eurostat 2014). 13 relevant areas to further stimulate mobility between the outermost regions and neighbouring third countries. The Member States and the outermost regions should consider reinforcing or setting up schemes, possibly similar to the French 'International Internship ***Programme***', enabling businesses to give young candidates temporary assignments abroad. The Commission will:  Intensify efforts to promote Erasmus+, including Erasmus Pro which is designed to promote mobility for apprentices, in the outermost regions; increase use of existing possibilities and encourage the outermost regions to better exploit these mobility schemes, to strengthen learning exchanges between these regions and third countries – covering higher education and vocational training;  Promote the European Solidarity Corps for young people in the outermost regions and facilitate their mobility to give them opportunities to support those in need as well as to ease their access to the labour market;  Intensify cooperation with the outermost regions to improve the use of available resources from the European Social Fund and the Youth Employment Initiative to foster employability and skills in particular of the youth, including by strengthening support for successful measures such as the Service Militaire Adapté in the French outermost regions. Competitiveness, entrepreneurship and Single market The outermost regions, whose markets are small, depend heavily on exchanges with Europe and face high competition from their neighbours. However, in many sectors such as energy, biotechnology, information technology and services, their know-how and capacity should enable them to compete within their regional markets. The outermost regions need to further enhance the capacity of their businesses to operate in the single market and internationally, to reap the benefits of globalisation and make the best of trade opportunities in their geographic areas. The Commission will:  Consider the special needs of the outermost regions' enterprises in new schemes supporting SMEs (current 'COSME' ***programme***) to enhance their competiveness in international markets;  Promote participation of entrepreneurs from the outermost regions and assess the impact of a possible extension of the 'Erasmus for Young Entrepreneurs' ***programme*** to neighbouring countries on the basis of the pilot project allowing exchanges between entrepreneurs from the EU and third countries. Digital accessibility Connecting the outermost regions to mainland Europe, their neighbours and the rest of the world through adequate and reliable electronic communications networks and ensuring that their citizens and businesses can benefit from digital services is essential for their further development. 14 Over the past years, these regions have significantly reduced the digital gap, from connectivity and use of internet services to the digitisation of businesses and public services - although the gap is still sizeable in rural areas. Ambitious national and regional ***programmes*** have been set up to support infrastructure deployment as well as the development of digital services. The population embraced keenly new digital services such as mobile telephony. However, obstacles remain such as the dependence on undersea cables, the extra costs of digital infrastructure roll-out, the limited size of local markets and projects which can render private investment and access to financing more difficult, the small size of enterprises which hamper their digital upgrade or the difficulty to retain and attract digital skills. The Commission's ongoing initiatives in the field of information, communication and technology should help the outermost regions address these obstacles. Broadband roll-out will be supported by new measures proposed in the European Electronic Communications Code34 to foster competitive investments in high capacity networks. The Commission will continue, upon the request of the relevant Member States, to assess the designing of local or national State aid measures for broadband roll-out to connect areas of market failure, applying the Broadband State Aid Guidelines. The Connecting Europe Broadband Fund, supported by the Connecting Europe Facility and the European Fund for ***Strategic*** Investments, can also help finance smaller and riskier projects to attract market investment. Furthermore, the EU network of Broadband competence offices initiated by the Commission in early 2017 should enhance the sharing of experience by national and regional authorities, including on funding sources. The Member States should ensure that such offices are set up, to provide assistance to the outermost regions in broadband roll-out. The relevant National Regulatory Authorities should continue monitoring the situation of the outermost regions in their market analyses, to detect competition constraints justifying specific regulatory measures. As 90% of the jobs currently require at least a basic level of digital skills, training and reskilling of the labour force, in particular of young people, is crucial to take advantage of the digital transformation of the economy and society. The outermost regions are encouraged to build on the good practices identified by the Digital Skills and jobs coalition35 and to join a 'national coalition'. The Commission will:  Encourage the exchange of best practices and information on broadband roll-out through the EU network of Broadband competence offices. Transport Enhanced transport mobility is essential for reducing the outermost regions' 'accessibility gap' caused by remoteness from continental Europe, insularity (in most cases) and difficult topography. Regular and reliable connections to Europe and within intra-basin can stimulate growth and job creation by attracting business, tourists and service operators and facilitating exchanges. They also improve the quality of life and economic prospects for residents by granting access to higher education and professional training, to health services and to a wider job market36. 34   [*http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat:COM\_2016\_0590\_FIN*](http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat:COM_2016_0590_FIN) 35   [*https://ec.europa.eu/digital-single-market/en/digital-skills-jobs-coalition*](https://ec.europa.eu/digital-single-market/en/digital-skills-jobs-coalition) 36 Report of the expert group on transport accessibility for the outermost regions 15 EU policies, in particular cohesion policy, have helped reduce this accessibility gap and its costs to the outermost regions and its inhabitants. European Regional Development Fund and Cohesion Fund37 investments have been essential for upgrading transport infrastructure and facilities. In addition, the Connecting Europe Facility is supporting projects related, inter alia, to the Motorways of the Sea ***programme*** and to green shipping. Competition policy - including State aid provisions and rules on public service obligations - also plays an important role. As a result of the revision of the EU General Block Exemption Regulation, the outermost regions have the possibility to directly finance and implement port and airport projects meeting certain criteria (only projects not meeting these criteria continue to require prior approval by the Commission). Boosting air and maritime transport as well as other water-way transport, which are the outermost regions' primary link with Europe and with neighbouring countries in their basin, is key for these regions. Their proximity to important maritime lines, such as the Panama Canal or the transatlantic routes, offers them opportunities for shipping and transhipment activities. The outermost regions could become maritime hubs in their basin and serve, for instance, as energy refuelling stations along maritime lines (including liquefied natural gas). The Commission will look at how Trans-European Transport Network (TEN-T) policy, including the Motorways of the Sea ***Programme***, can better meet the outermost regions' needs and take into account their geographic position. The outermost regions should integrate EU and regional perspective when developing connectivity projects. As regards air transport, flights between the European Economic Area and the outermost regions are currently excluded from the EU Emissions' Trading System, as are all flights with third countries. This derogation expired on 1 January 2017 but the Commission presented a legislative proposal38 to maintain it, pending the completion of international negotiations39 on implementing rules for the Global Market based measure. As regards local transport, the outermost regions suffer from traffic congestion in cities or coastal strips and difficult access to inland rural areas. Projects to make transport more sustainable and clean are being developed and can serve as good practice for other EU regions and for their neighbouring countries. The outermost regions should continue testing and developing at local level sustainable mobility solutions. The Commission will:  Launch a study on the outermost regions' connectivity needs, including needs for EU funding support (from CEF, ERDF and other instruments), for technical assistance (project preparation and financial structuring) and for regulatory improvements and reforms;  Better meet the outermost regions needs and facilitate their participation to the Trans-European Transport Network ***Programme***, Connecting Europe Facility and future EU ***programmes*** for transport; enable EU investments in ports and airports in the outermost   [*http://ec.europa.eu/regional\_policy/sources/policy/themes/outermost-regions/pdf/transport\_report\_en.pdf*](http://ec.europa.eu/regional_policy/sources/policy/themes/outermost-regions/pdf/transport_report_en.pdf) 37   [*http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat:COM\_2016\_0590\_FIN*](http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat:COM_2016_0590_FIN) 38 Proposal for a Regulation of the European Parliament and of the Council amending Directive 2003/87/EC to continue current limitations of scope for aviation activities and to prepare to implement a global market-based measure from 2021 – COM(2017) 54 final, 3.2.2017 39 Negotiations are ongoing in the International Civil Aviation Organisation on implementing rules for a Global Market based measure and its concrete operationalisation. 16 regions, in duly justified cases. 4. SCALING UP OUTERMOST REGIONS' COOPERATION WITH THEIR NEIGHBOURHOOD AND BEYOND Promoting regional cooperation and deepening outermost regions' links with neighbouring countries and regional organisations have been a key pillar of the EU's outermost regions' strategy since 2004. The Commission has promoted this cooperation through political dialogue, territorial cooperation ***programmes*** and Economic Partnership Agreements. The ERDF and European Development Fund (EDF) Regulations, the Cotonou Agreement - which governs the relationship between the EU and African, Caribbean and Pacific (ACP) States - and the Overseas Association Decision on the EU's relationship with Overseas Countries and Territories already facilitate such cooperation. However, this should be further scaled up in areas where there is benefit for all parties. Joint ***programming*** and ***planning*** of projects should be pursued, by using all relevant cooperation instruments. Under the current regulations, cooperation projects involving the outermost regions and other regional partners have been implemented in recent years in the Caribbean basin, the Indian Ocean and West Africa. In particular, the pilot carried out in the Caribbean with EDF and ERDF funding40 is a positive step toward greater synergy in the use of the two instruments. Moreover, the recent disaster caused by hurricane IRMA in Saint Martin – Sint Maarten requires the EU to join reconstruction efforts with all relevant stakeholders and to coordinate its support so to facilitate cooperation and joint projects for the benefits of all island inhabitants. Based on the lessons learnt, the Commission will reflect on new means to facilitate and strengthen cooperation initiatives on the basis of the needs and assets of the concerned regions. And it will work closely with relevant EU delegations to facilitate exchanges and joint projects between the outermost regions, their neighbouring countries and territories, and regional organisations. Growing global challenges and greater interdependency require the outermost regions to strengthen and widen cooperation beyond their neighbourhood, reaching out to other third countries and international partners. Given their geo-***strategic*** position, these regions can play an important role in international fora on global issues such as international ocean governance. The Commission will work with their Member States to explore concrete actions for advancing the related agendas in the respective geographical areas of the outermost regions. Partnering with regional and international organisations having technical know-how and expertise will also foster development opportunities in promising sectors and ease the development of joint actions in areas of common interest. Moreover, participating in initiatives, such as the 'Smart Islands Initiative'41, will allow the outermost regions to showcase their territories as test beds for new solutions. The Commission will:  Consider targeting new EU investments on priority and larger scale projects in the outermost 40 Under the 2014-2020 ***programming*** period, under a 'Convention de délégation' between the Regional Council of Guadeloupe and the EU Delegation to Guiana, the Regional Council will manage part of EDF funds from the Caribbean ACP regional ***programme***, to identify and finance EDF/ERDF common projects. 41   [*http://www.smartislandsinitiative.eu/en/index.php*](http://www.smartislandsinitiative.eu/en/index.php) 17 regions’ geographic basins;  Facilitate cooperation between the outermost regions and their neighbours by a closer alignment of rules of the relevant funding instruments and possible setting-up of joint ***programmes***. Migration The migratory pressure some of the outermost regions face from neighbouring countries, combined with a high population growth rate, especially in French Guiana and Mayotte, present economic and social problems, as illustrated by recent tensions in French Guiana. Support should be provided to these regions to manage migration sustainably. The situation is different in other outermost regions where it would be important to ease mobility of people, students and workers from neighbouring countries, to create new job and growth opportunities and foster the outermost regions' regional integration. The Commission will:  Take into account the outermost regions' concerns when negotiating or implementing international agreements and mobility partnerships with their neighbouring countries. 5. CONCLUSION Enabling the outermost regions to become more resilient, reach their development potential, reap the full benefits of EU membership and harness globalisation requires political will and prioritisation, as well as consistent efforts to better use their assets and find new sources of growth. This Communication sets a new approach for a robust partnership. This is based on a preventive approach – under which the interests and concerns of the outermost regions will be subject to thorough scrutiny – backed by a platform enabling them and relevant stakeholders to exchange views at all stages of policymaking and implementation. The Commission will work closely with the outermost regions and their respective Member States to ensure that the concrete actions it has proposed will be implemented. It will act proactively, ensuring upstream that its initiatives consider the impacts on and opportunities for the outermost regions. It will also propose, where appropriate, tailored measures to take into account their specific features. Fostering the development of the outermost regions also requires robust investments and ownership from the relevant Member States and the outermost regions themselves. The Commission is committed to strengthening the longstanding partnership with the outermost regions and their Member States, to enable the EU's lands in the world to flourish.

**Load-Date:** December 16, 2017

**End of Document**



[***Washington: WILDLIFE INNOVATION AND LONGEVITY DRIVER ACT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NRW-K9R1-F0YC-N0VV-00000-00&context=1516831)

Impact News Service

June 9, 2017 Friday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 8493 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 91, S. 826. The PRESIDING OFFICER. The clerk will report the bill by title. The legislative clerk read as follows: A bill (S. 826) to reauthorize the Partners for Fish and Wildlife ***Program*** and certain wildlife conservation funds, to establish prize competitions relating to the prevention of wildlife poaching and trafficking, wildlife conservation, the management of invasive species, and the protection of endangered species, and for other purposes. There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with an amendment to strike all after the enacting clause and insert in lieu thereof the following: SECTION 1. SHORT TITLE; TABLE OF CONTENTS. (a) Short Title.--This Act may be cited as the ``Wildlife Innovation and Longevity Driver Act''or ``WILD Act''. (b) Table of Contents.--The table of contents for this Act is as follows: Sec.

1. Short title; table of contents. TITLE I--PARTNERS FOR FISH AND WILDLIFE ***PROGRAM*** REAUTHORIZATION Sec. 1001. Partners for Fish and Wildlife ***Program*** reauthorization. TITLE II--FISH AND WILDLIFE COORDINATION Sec. 2001. Purpose. Sec. 2002. Amendments to the Fish and Wildlife Coordination Act. TITLE III--WILDLIFE CONSERVATION Sec. 3001. Reauthorization of multinational species conservation funds. TITLE IV--PRIZE COMPETITIONS Sec. 4001. Definitions. Sec. 4002. Theodore Roosevelt Genius Prize for the prevention of wildlife poaching and trafficking. Sec. 4003. Theodore Roosevelt Genius Prize for the promotion of wildlife conservation. Sec. 4004. Theodore Roosevelt Genius Prize for the management of invasive species. Sec. 4005. Theodore Roosevelt Genius Prize for the protection of endangered species. Sec. 4006. Theodore Roosevelt Genius Prize for nonlethal management of human-wildlife conflicts. Sec. 4007. Administration of prize competitions. TITLE I--PARTNERS FOR FISH AND WILDLIFE ***PROGRAM*** REAUTHORIZATION SEC. 1001. PARTNERS FOR FISH AND WILDLIFE ***PROGRAM*** REAUTHORIZATION. Section 5 of the Partners for Fish and Wildlife Act (16 U.S.C 3774) is amended by striking ``$75,000,000 for each of fiscal years 2006 through 2011'' and inserting ``$100,000,000 for each of fiscal years 2018 through 2022''. TITLE II--FISH AND WILDLIFE COORDINATION SEC. 2001. PURPOSE. The purpose of this title is to protect water, oceans, coasts, and wildlife from invasive species. SEC. 2002. AMENDMENTS TO THE FISH AND WILDLIFE COORDINATION ACT. (a) Short Title; Authorization.--The first section of the Fish and Wildlife Coordination Act (16 U.S.C 661) is amended by striking ``For the purpose'' and inserting the following: ``SECTION 1. SHORT TITLE; AUTHORIZATION. ``(a) Short Title.--This Act may be cited as the `Fish and Wildlife Coordination Act'. ``(b) Authorization.--For the purpose''. (b) Protection of Water, Oceans, Coasts, and Wildlife From Invasive Species.--The Fish and Wildlife Coordination Act (16 U.S.C 661 et seq.) is amended by adding at the end the following: ``SEC. 10. PROTECTION OF WATER, OCEANS, COASTS, AND WILDLIFE FROM INVASIVE SPECIES. ``(a) Definitions.--In this section: ``(1) Control.--The term `control', with respect to an invasive species, means the eradication, suppression, or reduction of the population of the invasive species within the area in which the invasive species is present. ``(2) Ecosystem.--The term `ecosystem' means the complex of a community of organisms and the environment of the organisms. ``(3) Eligible state.--The term `eligible State' means any of-- ``(A) a State; ``(B) the District of Columbia; ``(C) the Commonwealth of Puerto Rico; ``(D) Guam; ``(E) American Samoa; ``(F) the Commonwealth of the Northern Mariana Islands; and ``(G) the United States Virgin Islands. ``(4) Invasive species.-- ``(A) In general.--The term `invasive species' means an alien species, the introduction of which causes, or is likely to cause, economic or environmental harm or harm to human health. ``(B) Associated definition.--For purposes of subparagraph (A), the term `alien species', with respect to a particular ecosystem, means any species (including the seeds, eggs, spores, or other biological material of the species that are capable of propagating the species) that is not native to the affected ecosystem. ``(C) Inclusion.--The terms `invasive species' and `alien species' include any terrestrial or aquatic species determined by the relevant tribal, regional, State, or local authority to meet the requirements of subparagraph (A) or (B), as applicable. ``(5) Manage; management.--The terms `manage' and `management', with respect to an invasive species, mean the active implementation of any activity-- ``(A) to reduce or stop the spread of the invasive species; and ``(B) to inhibit further infestations of the invasive species, the spread of the invasive species, or harm caused by the invasive species, including investigations regarding methods for early detection and rapid response, prevention, control, or management of the invasive species. [[Page S3376]] ``(6) Prevent.--The term `prevent', with respect to an invasive species, means-- ``(A) to hinder the introduction of the invasive species onto land or water; or ``(B) to impede the spread of the invasive species within land or water by inspecting, intercepting, or confiscating invasive species threats prior to the establishment of the invasive species onto land or water of an eligible State. ``(7) Secretary concerned.--The term `Secretary concerned' means-- ``(A) the Secretary of the Army, acting through the Chief of Engineers, with respect to Federal land administered by the Corps of Engineers; ``(B) the Secretary of the Interior, with respect to Federal land administered by the Secretary of the Interior through-- ``(i) the United States Fish and Wildlife Service; ``(ii) the Bureau of Indian Affairs; ``(iii) the Bureau of Land Management; ``(iv) the Bureau of Reclamation; or ``(v) the National Park Service; ``(C) the Secretary of ***Agriculture***, with respect to Federal land administered by the Secretary of ***Agriculture*** through the Forest Service; and ``(D) the head or a representative of any other Federal agency the duties of whom require ***planning*** relating to, and the treatment of, invasive species for the purpose of protecting water and wildlife on land and coasts and in oceans and water. ``(8) Species.--The term `species' means a group of organisms, all of which-- ``(A) have a high degree of genetic similarity; ``(B) are morphologically distinct; ``(C) generally-- ``(i) interbreed at maturity only among themselves; and ``(ii) ***produce*** fertile offspring; and ``(D) show persistent differences from members of allied groups of organisms. ``(b) Control and Management.--Each Secretary concerned shall ***plan*** and carry out activities on land directly managed by the Secretary concerned to protect water and wildlife by controlling and managing invasive species-- ``(1) to inhibit or reduce the populations of invasive species; and ``(2) to effectuate restoration or reclamation efforts. ``(c) ***Strategic*** ***Plan***.-- ``(1) In general.--Each Secretary concerned shall develop a ***strategic*** ***plan*** for the implementation of the invasive species ***program*** to achieve, to the maximum extent practicable, a substantive annual net reduction of invasive species populations or infested acreage on land or water managed by the Secretary concerned. ``(2) Coordination.--Each ***strategic*** ***plan*** under paragraph (1) shall be developed-- ``(A) in coordination with affected-- ``(i) eligible States; ``(ii) political subdivisions of eligible States; and ``(iii) federally recognized Indian tribes; and ``(B) in accordance with the priorities established by 1 or more Governors of the eligible States in which an ecosystem affected by an invasive species is located. ``(3) Factors for consideration.--In developing a ***strategic*** ***plan*** under this subsection, the Secretary concerned shall take into consideration the economic and ecological costs of action or inaction, as applicable. ``(d) Cost-effective Methods.--In selecting a method to be used to control or manage an invasive species as part of a specific control or management project conducted as part of a ***strategic*** ***plan*** developed under subsection (c), the Secretary concerned shall prioritize the use of methods that-- ``(1) effectively control and manage invasive species, as determined by the Secretary concerned, based on sound scientific data; ``(2) minimize environmental impacts; and ``(3) control and manage invasive species in the least costly manner. ``(e) Comparative Economic Assessment.--To achieve compliance with subsection (d), the Secretary concerned shall require a comparative economic assessment of invasive species control and management methods to be conducted. ``(f) Expedited Action.-- ``(1) In general.--The Secretaries concerned shall use all tools and flexibilities available (as of the date of enactment of this section) to expedite the projects and activities described in paragraph (2). ``(2) Description of projects and activities.--A project or activity referred to in paragraph (1) is a project or activity-- ``(A) to protect water or wildlife from an invasive species that, as determined by the Secretary concerned is, or will be, carried out on land or water that is-- ``(i) directly managed by the Secretary concerned; and ``(ii) located in an area that is-- ``(I) at high risk for the introduction, establishment, or spread of invasive species; and ``(II) determined by the Secretary concerned to require immediate action to address the risk identified in subclause (I); and ``(B) carried out in accordance with applicable agency procedures, including any applicable-- ``(i) land or resource management ***plan***; or ``(ii) land use ***plan***. ``(g) Allocation of Funding.--Of the amount appropriated or otherwise made available to each Secretary concerned for a fiscal year for ***programs*** that address or include protection of land or water from an invasive species, the Secretary concerned shall use not less than 75 percent for on-the- ground control and management of invasive species, which may include-- ``(1) the purchase of necessary products, equipment, or services to conduct that control and management; ``(2) the use of integrated pest management options, including options that use pesticides authorized for sale, distribution, or use under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C 136 et seq.); ``(3) the use of biological control agents that are proven to be effective to reduce invasive species populations; ``(4) the use of revegetation or cultural restoration methods designed to improve the diversity and richness of ecosystems; ``(5) the use of monitoring and detection activities for invasive species, including equipment, detection dogs, and mechanical devices; ``(6) the use of appropriate methods to remove invasive species from a vehicle or vessel capable of conveyance; or ``(7) the use of other effective mechanical or manual control methods. ``(h) Investigations, Outreach, and Public Awareness.--Of the amount appropriated or otherwise made available to each Secretary concerned for a fiscal year for ***programs*** that address or include protection of land or water from an invasive species, the Secretary concerned may use not more than 15 percent for investigations, development activities, and outreach and public awareness efforts to address invasive species control and management needs. ``(i) Administrative Costs.--Of the amount appropriated or otherwise made available to each Secretary concerned for a fiscal year for ***programs*** that address or include protection of land or water from an invasive species, not more than 10 percent may be used for administrative costs incurred to carry out those ***programs***, including costs relating to oversight and management of the ***programs***, recordkeeping, and implementation of the ***strategic*** ***plan*** developed under subsection (c). ``(j) Reporting Requirements.--Not later than 60 days after the end of the second fiscal year beginning after the date of enactment of this section, each Secretary concerned shall submit to Congress a report-- ``(1) describing the use by the Secretary concerned during the 2 preceding fiscal years of funds for ***programs*** that address or include invasive species management; and ``(2) specifying the percentage of funds expended for each of the purposes specified in subsections (g), (h), and (i). ``(k) Relation to Other Authority.-- ``(1) Other invasive species control, prevention, and management authorities.--Nothing in this section precludes the Secretary concerned from pursuing or supporting, pursuant to any other provision of law, any activity regarding the control, prevention, or management of an invasive species, including investigations to improve the control, prevention, or management of the invasive species. ``(2) Public water supply systems.--Nothing in this section authorizes the Secretary concerned to suspend any water delivery or diversion, or otherwise to prevent the operation of a public water supply system, as a measure to control, manage, or prevent the introduction or spread of an invasive species. ``(l) Use of Partnerships.--Subject to the subsections (m) and (n), the Secretary concerned may enter into any contract or cooperative agreement with another Federal agency, an eligible State, a political subdivision of an eligible State, or a private individual or entity to assist with the control and management of an invasive species. ``(m) Memorandum of Understanding.-- ``(1) In general.--As a condition of a contract or cooperative agreement under subsection (l), the Secretary concerned and the applicable Federal agency, eligible State, political subdivision of an eligible State, or private individual or entity shall enter into a memorandum of understanding that describes-- ``(A) the nature of the partnership between the parties to the memorandum of understanding; and ``(B) the control and management activities to be conducted under the contract or cooperative agreement. ``(2) Contents.--A memorandum of understanding under this subsection shall contain, at a minimum, the following: ``(A) A prioritized listing of each invasive species to be controlled or managed. ``(B) An assessment of the total acres of land or area of water infested by the invasive species. ``(C) An estimate of the expected total acres of land or area of water infested by the invasive species after control and management of the invasive species is attempted. ``(D) A description of each specific, integrated pest management option to be used, including a comparative economic assessment to determine the least-costly method. ``(E) Any map, boundary, or Global Positioning System coordinates needed to clearly identify the area in which each control or management activity is proposed to be conducted. ``(F) A written assurance that each partner will comply with section 15 of the Federal Noxious Weed Act of 1974 (7 U.S.C 2814). ``(3) Coordination.--If a partner to a contract or cooperative agreement under subsection (l) is an eligible State, political subdivision of an eligible State, or private individual or entity, the memorandum of understanding under this subsection shall include a description of-- ``(A) the means by which each applicable control or management effort will be coordinated; and ``(B) the expected outcomes of managing and controlling the invasive species. ``(4) Public outreach and awareness efforts.--If a contract or cooperative agreement under subsection (l) involves any outreach or public awareness effort, the memorandum of understanding under this subsection shall include a list of goals and objectives for each outreach or public awareness effort that have been determined to be efficient to inform national, regional, State, or local audiences regarding invasive species control and management. [[Page S3377]] ``(n) Investigations.--The purpose of any invasive species- related investigation carried out under a contract or cooperative agreement under subsection (l) shall be-- ``(1) to develop solutions and specific recommendations for control and management of invasive species; and ``(2) specifically to provide faster implementation of control and management methods. ``(o) Coordination With Affected Local Governments.--Each project and activity carried out pursuant to this section shall be coordinated with affected local governments in a manner that is consistent with section 202(c)(9) of the Federal Land Policy and Management Act of 1976 (43 U.S.C 1712(c)(9)).''. TITLE III--WILDLIFE CONSERVATION SEC. 3001. REAUTHORIZATION OF MULTINATIONAL SPECIES CONSERVATION FUNDS. (a) Reauthorization of the African Elephant Conservation Act.--Section 2306(a) of the African Elephant Conservation Act (16 U.S.C 4245(a)) is amended by striking ``2007 through 2012'' and inserting ``2018 through 2022''. (b) Reauthorization of the Asian Elephant Conservation Act of 1997.--Section 8(a) of the Asian Elephant Conservation Act of 1997 (16 U.S.C 4266(a)) is amended by striking ``2007 through 2012'' and inserting ``2018 through 2022''. (c) Reauthorization of the Rhinoceros and Tiger Conservation Act of 1994.--Section 10(a) of the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C 5306(a)) is amended by striking ``2007 through 2012'' and inserting ``2018 through 2022''. (d) Amendments to the Great Ape Conservation Act of 2000.-- (1) Panel.--Section 4(i) of the Great Ape Conservation Act of 2000 (16 U.S.C 6303(i)) is amended-- (A) by striking paragraph (1) and inserting the following: ``(1) Convention.--Not later than 1 year after the date of the enactment of the Wildlife Innovation and Longevity Driver Act, and every 5 years thereafter, the Secretary shall convene a panel of experts on great apes to identify the greatest needs and priorities for the conservation of great apes.''; (B) by redesignating paragraph (2) as paragraph (5); and (C) by inserting after paragraph (1) the following: ``(2) Composition.--The Secretary shall ensure that the panel referred to in paragraph (1) includes, to the maximum extent practicable, 1 or more representatives-- ``(A) from each country that comprises the natural range of great apes; and ``(B) with expertise in great ape conservation. ``(3) Conservation ***plans***.--In identifying the conservation needs and priorities under paragraph (1), the panel referred to in that paragraph shall consider any relevant great ape conservation ***plan*** or strategy, including scientific research and findings relating to-- ``(A) the conservation needs and priorities of great apes; ``(B) any regional or species-specific action ***plan*** or strategy; ``(C) any applicable strategy developed or initiated by the Secretary; and ``(D) any other applicable conservation ***plan*** or strategy. ``(4) Funds.--Subject to the availability of appropriations, the Secretary may use amounts available to the Secretary to pay for the costs of convening and facilitating any meeting of the panel referred to in paragraph (1).''. (2) Multiyear grants.--Section 4 of the Great Ape Conservation Act of 2000 (16 U.S.C 6303) is amended by adding at the end the following: ``(j) Multiyear Grants.-- ``(1) Authorization.--The Secretary may award to a person who is otherwise eligible for a grant under this section a multiyear grant to carry out a project that the person demonstrates is an effective, long-term conservation strategy for great apes and the habitat of great apes. ``(2) Effect of subsection.--Nothing in this subsection precludes the Secretary from awarding a grant on an annual basis.''. (3) Administrative expenses.--Section 5(b)(2) of the Great Ape Conservation Act of 2000 (16 U.S.C 6304(b)(2)) is amended by striking ``$100,000'' and inserting ``$150,000''. (4) Authorization of appropriations.--Section 6 of the Great Ape Conservation Act of 2000 (16 U.S.C 6305) is amended by striking ``2006 through 2010'' and inserting ``2018 through 2022''. (e) Amendments to the Marine Turtle Conservation Act of 2004.-- (1) Purpose.--Section 2(b) of the Marine Turtle Conservation Act of 2004 (16 U.S.C 6601(b)) is amended by inserting ``and territories of the United States'' after ``foreign countries''. (2) Definitions.--Section 3 of the Marine Turtle Conservation Act of 2004 (16 U.S.C 6602) is amended-- (A) in paragraph (2), in the matter preceding subparagraph (A), by inserting ``and territories of the United States'' after ``foreign countries''; and (B) by adding at the end the following: ``(7) Territory of the united states.--The term `territory of the United States' means-- ``(A) the Commonwealth of Puerto Rico; ``(B) Guam; ``(C) American Samoa; ``(D) the Commonwealth of the Northern Mariana Islands; ``(E) the United States Virgin Islands; and ``(F) any other territory or possession of the United States.''. (3) Marine turtle conservation assistance.--Section 4 of the Marine Turtle Conservation Act of 2004 (16 U.S.C 6603) is amended-- (A) in subsection (b)(1)(A), by inserting ``or a territory of the United States'' after ``foreign country''; and (B) in subsection (d), by striking ``foreign countries'' and inserting ``a foreign country or a territory of the United States''. (4) Administrative expenses.--Section 5(b)(2) of the Marine Turtle Conservation Act of 2004 (16 U.S.C 6604(b)(2)) is amended by striking ``$80,000'' and inserting ``$150,000''. (5) Authorization of appropriations.--Section 7 of the Marine Turtle Conservation Act of 2004 (16 U.S.C 6606) is amended by striking ``each of fiscal years 2005 through 2009'' and inserting ``each of fiscal years 2018 through 2022''. TITLE IV--PRIZE COMPETITIONS SEC. 4001. DEFINITIONS. In this title: (1) Non-federal funds.--The term ``non-Federal funds'' means funds provided by-- (A) a State; (B) a territory of the United States; (C) 1 or more units of local or tribal government; (D) a private for-profit entity; (E) a nonprofit organization; or (F) a private individual. (2) Secretary.--The term ``Secretary'' means the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service. (3) Wildlife.--The term ``wildlife'' has the meaning given the term in section 8 of the Fish and Wildlife Coordination Act (16 U.S.C 666b). SEC. 4002. THEODORE ROOSEVELT GENIUS PRIZE FOR THE PREVENTION OF WILDLIFE POACHING AND TRAFFICKING. (a) Definitions.--In this section: (1) Board.--The term ``Board'' means the Prevention of Wildlife Poaching and Trafficking Technology Advisory Board established by subsection (c)(1). (2) Prize competition.--The term ``prize competition'' means the Theodore Roosevelt Genius Prize for the prevention of wildlife poaching and trafficking established under subsection (b). (b) Authority.--Not later than 180 days after the date of enactment of this Act, the Secretary shall establish under section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C 3719) a prize competition, to be known as the ``Theodore Roosevelt Genius Prize'' for the prevention of wildlife poaching and trafficking-- (1) to encourage technological innovation with the potential to advance the mission of the United States Fish and Wildlife Service with respect to the prevention of wildlife poaching and trafficking; and (2) to award 1 or more prizes annually for a technological advancement that prevents wildlife poaching and trafficking. (c) Advisory Board.-- (1) Establishment.--There is established an advisory board, to be known as the ``Prevention of Wildlife Poaching and Trafficking Technology Advisory Board''. (2) Composition.--The Board shall be composed of not fewer than 9 members appointed by the Secretary, who shall provide expertise in-- (A) wildlife trafficking and trade; (B) wildlife conservation and management; (C) biology; (D) technology development; (E) engineering; (F) economics; (G) business development and management; and (H) any other discipline, as the Secretary determines to be necessary to achieve the purposes of this section. (3) Duties.--Subject to paragraph (4), with respect to the prize competition, the Board shall-- (A) select a topic; (B) issue a problem statement; and (C) advise the Secretary on any opportunity for technological innovation to prevent wildlife poaching and trafficking. (4) Consultation.--In selecting a topic and issuing a problem statement for the prize competition under subparagraphs (A) and (B) of paragraph (3), respectively, the Board shall consult widely with Federal and non-Federal stakeholders, including-- (A) 1 or more Federal agencies with jurisdiction over the prevention of wildlife poaching and trafficking; (B) 1 or more State agencies with jurisdiction over the prevention of wildlife poaching and trafficking; (C) 1 or more State, regional, or local wildlife organizations, the mission of which relates to the prevention of wildlife poaching and trafficking; and (D) 1 or more wildlife conservation groups, technology companies, research institutions, institutions of higher education, industry associations, or individual stakeholders with an interest in the prevention of wildlife poaching and trafficking. (5) Requirements.--The Board shall comply with all requirements under section 4007(a). (d) Agreement With the National Fish and Wildlife Foundation.-- (1) In general.--The Secretary shall offer to enter into an agreement under which the National Fish and Wildlife Foundation shall administer the prize competition. (2) Requirements.--An agreement entered into under paragraph (1) shall comply with all requirements under section 4007(b). (e) Judges.-- (1) Appointment.--The Secretary shall appoint not fewer than 3 judges who shall, except as provided in paragraph (2), select the 1 or more annual winners of the prize competition. (2) Determination by the secretary.--The judges appointed under paragraph (1) shall not select any annual winner of the prize competition if the Secretary makes a determination [[Page S3378]] that, in any fiscal year, none of the technological advancements entered into the prize competition merits an award. (f) Report to Congress.--Not later than 60 days after the date on which a cash prize is awarded under this section, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Natural Resources of the House of Representatives a report on the prize competition that includes-- (1) a statement by the Board that describes the activities carried out by the Board relating to the duties described in subsection (c)(3); (2) if the Secretary has entered into an agreement under subsection (d)(1), a statement by the National Fish and Wildlife Foundation that describes the activities carried out by the National Fish and Wildlife Foundation relating to the duties described in section 4007(b); and (3) a statement by 1 or more of the judges appointed under subsection (e) that explains the basis on which the winner of the cash prize was selected. (g) Termination of Authority.--The Board and all authority provided under this section shall terminate on December 31, 2022. SEC. 4003. THEODORE ROOSEVELT GENIUS PRIZE FOR THE PROMOTION OF WILDLIFE CONSERVATION. (a) Definitions.--In this section: (1) Board.--The term ``Board'' means the Promotion of Wildlife Conservation Technology Advisory Board established by subsection (c)(1). (2) Prize competition.--The term ``prize competition'' means the Theodore Roosevelt Genius Prize for the promotion of wildlife conservation established under subsection (b). (b) Authority.--Not later than 180 days after the date of enactment of this Act, the Secretary shall establish under section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C 3719) a prize competition, to be known as the ``Theodore Roosevelt Genius Prize'' for the promotion of wildlife conservation-- (1) to encourage technological innovation with the potential to advance the mission of the United States Fish and Wildlife Service with respect to the promotion of wildlife conservation; and (2) to award 1 or more prizes annually for a technological advancement that promotes wildlife conservation. (c) Advisory Board.-- (1) Establishment.--There is established an advisory board, to be known as the ``Promotion of Wildlife Conservation Technology Advisory Board''. (2) Composition.--The Board shall be composed of not fewer than 9 members appointed by the Secretary, who shall provide expertise in-- (A) wildlife conservation and management; (B) biology; (C) technology development; (D) engineering; (E) economics; (F) business development and management; and (G) any other discipline, as the Secretary determines to be necessary to achieve the purposes of this section. (3) Duties.--Subject to paragraph (4), with respect to the prize competition, the Board shall-- (A) select a topic; (B) issue a problem statement; and (C) advise the Secretary on any opportunity for technological innovation to promote wildlife conservation. (4) Consultation.--In selecting a topic and issuing a problem statement for the prize competition under subparagraphs (A) and (B) of paragraph (3), respectively, the Board shall consult widely with Federal and non-Federal stakeholders, including-- (A) 1 or more Federal agencies with jurisdiction over the promotion of wildlife conservation; (B) 1 or more State agencies with jurisdiction over the promotion of wildlife conservation; (C) 1 or more State, regional, or local wildlife organizations, the mission of which relates to the promotion of wildlife conservation; and (D) 1 or more wildlife conservation groups, technology companies, research institutions, institutions of higher education, industry associations, or individual stakeholders with an interest in the promotion of wildlife conservation. (5) Requirements.--The Board shall comply with all requirements under section 4007(a). (d) Agreement With the National Fish and Wildlife Foundation.-- (1) In general.--The Secretary shall offer to enter into an agreement under which the National Fish and Wildlife Foundation shall administer the prize competition. (2) Requirements.--An agreement entered into under paragraph (1) shall comply with all requirements under section 4007(b). (e) Judges.-- (1) Appointment.--The Secretary shall appoint not fewer than 3 judges who shall, except as provided in paragraph (2), select the 1 or more annual winners of the prize competition. (2) Determination by the secretary.--The judges appointed under paragraph (1) shall not select any annual winner of the prize competition if the Secretary makes a determination that, in any fiscal year, none of the technological advancements entered into the prize competition merits an award. (f) Report to Congress.--Not later than 60 days after the date on which a cash prize is awarded under this section, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Natural Resources of the House of Representatives a report on the prize competition that includes-- (1) a statement by the Board that describes the activities carried out by the Board relating to the duties described in subsection (c)(3); (2) if the Secretary has entered into an agreement under subsection (d)(1), a statement by the National Fish and Wildlife Foundation that describes the activities carried out by the National Fish and Wildlife Foundation relating to the duties described in section 4007(b); and (3) a statement by 1 or more of the judges appointed under subsection (e) that explains the basis on which the winner of the cash prize was selected. (g) Termination of Authority.--The Board and all authority provided under this section shall terminate on December 31, 2022. SEC. 4004. THEODORE ROOSEVELT GENIUS PRIZE FOR THE MANAGEMENT OF INVASIVE SPECIES. (a) Definitions.--In this section: (1) Board.--The term ``Board'' means the Management of Invasive Species Technology Advisory Board established by subsection (c)(1). (2) Prize competition.--The term ``prize competition'' means the Theodore Roosevelt Genius Prize for the management of invasive species established under subsection (b). (b) Authority.--Not later than 180 days after t

he date of enactment of this Act, the Secretary shall establish under section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C 3719) a prize competition, to be known as the ``Theodore Roosevelt Genius Prize'' for the management of invasive species-- (1) to encourage technological innovation with the potential to advance the mission of the United States Fish and Wildlife Service with respect to the management of invasive species; and (2) to award 1 or more prizes annually for a technological advancement that manages invasive species. (c) Advisory Board.-- (1) Establishment.--There is established an advisory board, to be known as the ``Management of Invasive Species Technology Advisory Board''. (2) Composition.--The Board shall be composed of not fewer than 9 members appointed by the Secretary, who shall provide expertise in-- (A) invasive species; (B) biology; (C) technology development; (D) engineering; (E) economics; (F) business development and management; and (G) any other discipline, as the Secretary determines to be necessary to achieve the purposes of this section. (3) Duties.--Subject to paragraph (4), with respect to the prize competition, the Board shall-- (A) select a topic; (B) issue a problem statement; and (C) advise the Secretary on any opportunity for technological innovation to manage invasive species. (4) Consultation.--In selecting a topic and issuing a problem statement for the prize competition under subparagraphs (A) and (B) of paragraph (3), respectively, the Board shall consult widely with Federal and non-Federal stakeholders, including-- (A) 1 or more Federal agencies with jurisdiction over the management of invasive species; (B) 1 or more State agencies with jurisdiction over the management of invasive species; (C) 1 or more State, regional, or local wildlife organizations, the mission of which relates to the management of invasive species; and (D) 1 or more wildlife conservation groups, technology companies, research institutions, institutions of higher education, industry associations, or individual stakeholders with an interest in the management of invasive species. (5) Requirements.--The Board shall comply with all requirements under section 4007(a). (d) Agreement With the National Fish and Wildlife Foundation.-- (1) In general.--The Secretary shall offer to enter into an agreement under which the National Fish and Wildlife Foundation shall administer the prize competition. (2) Requirements.--An agreement entered into under paragraph (1) shall comply with all requirements under section 4007(b). (e) Judges.-- (1) Appointment.--The Secretary shall appoint not fewer than 3 judges who shall, except as provided in paragraph (2), select the 1 or more annual winners of the prize competition. (2) Determination by the secretary.--The judges appointed under paragraph (1) shall not select any annual winner of the prize competition if the Secretary makes a determination that, in any fiscal year, none of the technological advancements entered into the prize competition merits an award. (f) Report to Congress.--Not later than 60 days after the date on which a cash prize is awarded under this section, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Natural Resources of the House of Representatives a report on the prize competition that includes-- (1) a statement by the Board that describes the activities carried out by the Board relating to the duties described in subsection (c)(3); (2) if the Secretary has entered into an agreement under subsection (d)(1), a statement by the National Fish and Wildlife Foundation that describes the activities carried out by the National Fish and Wildlife Foundation relating to the duties described in section 4007(b); and (3) a statement by 1 or more of the judges appointed under subsection (e) that explains the basis on which the winner of the cash prize was selected. (g) Termination of Authority.--The Board and all authority provided under this section shall terminate on December 31, 2022. SEC. 4005. THEODORE ROOSEVELT GENIUS PRIZE FOR THE PROTECTION OF ENDANGERED SPECIES. (a) Definitions.--In this section: (1) Board.--The term ``Board'' means the Protection of Endangered Species Technology Advisory Board established by subsection (c)(1). [[Page S3379]] (2) Prize competition.--The term ``prize competition'' means the Theodore Roosevelt Genius Prize for the protection of endangered species established under subsection (b). (b) Authority.--Not later than 180 days after the date of enactment of this Act, the Secretary shall establish under section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C 3719) a prize competition, to be known as the ``Theodore Roosevelt Genius Prize'' for the protection of endangered species-- (1) to encourage technological innovation with the potential to advance the mission of the United States Fish and Wildlife Service with respect to the protection of endangered species; and (2) to award 1 or more prizes annually for a technological advancement that protects endangered species. (c) Advisory Board.-- (1) Establishment.--There is established an advisory board, to be known as the ``Protection of Endangered Species Technology Advisory Board''. (2) Composition.--The Board shall be composed of not fewer than 9 members appointed by the Secretary, who shall provide expertise in-- (A) endangered species; (B) biology; (C) technology development; (D) engineering; (E) economics; (F) business development and management; and (G) any other discipline, as the Secretary determines to be necessary to achieve the purposes of this section. (3) Duties.--Subject to paragraph (4), with respect to the prize competition, the Board shall-- (A) select a topic; (B) issue a problem statement; and (C) advise the Secretary on any opportunity for technological innovation to protect endangered species. (4) Consultation.--In selecting a topic and issuing a problem statement for the prize competition under subparagraphs (A) and (B) of paragraph (3), respectively, the Board shall consult widely with Federal and non-Federal stakeholders, including-- (A) 1 or more Federal agencies with jurisdiction over the protection of endangered species; (B) 1 or more State agencies with jurisdiction over the protection of endangered species; (C) 1 or more State, regional, or local wildlife organizations, the mission of which relates to the protection of endangered species; and (D) 1 or more wildlife conservation groups, technology companies, research institutions, institutions of higher education, industry associations, or individual stakeholders with an interest in the protection of endangered species. (5) Requirements.--The Board shall comply with all requirements under section 4007(a). (d) Agreement With the National Fish and Wildlife Foundation.-- (1) In general.--The Secretary shall offer to enter into an agreement under which the National Fish and Wildlife Foundation shall administer the prize competition. (2) Requirements.--An agreement entered into under paragraph (1) shall comply with all requirements under section 4007(b). (e) Judges.-- (1) Appointment.--The Secretary shall appoint not fewer than 3 judges who shall, except as provided in paragraph (2), select the 1 or more annual winners of the prize competition. (2) Determination by the secretary.--The judges appointed under paragraph (1) shall not select any annual winner of the prize competition if the Secretary makes a determination that, in any fiscal year, none of the technological advancements entered into the prize competition merits an award. (f) Report to Congress.--Not later than 60 days after the date on which a cash prize is awarded under this section, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Natural Resources of the House of Representatives a report on the prize competition that includes-- (1) a statement by the Board that describes the activities carried out by the Board relating to the duties described in subsection (c)(3); (2) if the Secretary has entered into an agreement under subsection (d)(1), a statement by the National Fish and Wildlife Foundation that describes the activities carried out by the National Fish and Wildlife Foundation relating to the duties described in section 4007(b); and (3) a statement by 1 or more of the judges appointed under subsection (e) that explains the basis on which the winner of the cash prize was selected. (g) Termination of Authority.--The Board and all authority provided under this section shall terminate on December 31, 2022. SEC. 4006. THEODORE ROOSEVELT GENIUS PRIZE FOR NONLETHAL MANAGEMENT OF HUMAN-WILDLIFE CONFLICTS. (a) Definitions.--In this section: (1) Board.--The term ``Board'' means the Nonlethal Management of Human-Wildlife Conflicts Technology Advisory Board established by subsection (c)(1). (2) Prize competition.--The term ``prize competition'' means the Theodore Roosevelt Genius Prize for the nonlethal management of human-wildlife conflicts established under subsection (b). (b) Authority.--Not later than 180 days after the date of enactment of this Act, the Secretary shall establish under section 24 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C 3719) a prize competition, to be known as the ``Theodore Roosevelt Genius Prize'' for the nonlethal management of human-wildlife conflicts-- (1) to encourage technological innovation with the potential to advance the mission of the United States Fish and Wildlife Service with respect to the nonlethal management of human-wildlife conflicts; and (2) to award 1 or more prizes annually for a technological advancement that promotes the nonlethal management of human- wildlife conflicts. (c) Advisory Board.-- (1) Establishment.--There is established an advisory board, to be known as the ``Nonlethal Management of Human-Wildlife Conflicts Technology Advisory Board''. (2) Composition.--The Board shall be composed of not fewer than 9 members appointed by the Secretary, who shall provide expertise in-- (A) nonlethal wildlife management; (B) social aspects of human-wildlife conflict management; (C) biology; (D) technology development; (E) engineering; (F) economics; (G) business development and management; and (H) any other discipline, as the Secretary determines to be necessary to achieve the purposes of this section. (3) Duties.--Subject to paragraph (4), with respect to the prize competition, the Board shall-- (A) select a topic; (B) issue a problem statement; and (C) advise the Secretary on any opportunity for technological innovation to promote the nonlethal management of human-wildlife conflicts. (4) Consultation.--In selecting a topic and issuing a problem statement for the prize competition under subparagraphs (A) and (B) of paragraph (3), respectively, the Board shall consult widely with Federal and non-Federal stakeholders, including-- (A) 1 or more Federal agencies with jurisdiction over the management of native wildlife species at risk due to conflict with human activities; (B) 1 or more State agencies with jurisdiction over the management of native wildlife species at risk due to conflict with human activities; (C) 1 or more State, regional, or local wildlife organizations, the mission of which relates to the management of native wildlife species at risk due to conflict with human activities; and (D) 1 or more wildlife conservation groups, technology companies, research institutions, institutions of higher education, industry associations, or individual stakeholders with an interest in the management of native wildlife species at risk due to conflict with human activities. (5) Requirements.--The Board shall comply with all requirements under section 4007(a). (d) Agreement With the National Fish and Wildlife Foundation.-- (1) In general.--The Secretary shall offer to enter into an agreement under which the National Fish and Wildlife Foundation shall administer the prize competition. (2) Requirements.--An agreement entered into under paragraph (1) shall comply with all requirements under section 4007(b). (e) Judges.-- (1) Appointment.--The Secretary shall appoint not fewer than 3 judges who shall, except as provided in paragraph (2), select the 1 or more annual winners of the prize competition. (2) Determination by the secretary.--The judges appointed under paragraph (1) shall not select any annual winner of the prize competition if the Secretary makes a determination that, in any fiscal year, none of the technological advancements entered into the prize competition merits an award. (f) Report to Congress.--Not later than 60 days after the date on which a cash prize is awarded under this section, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Natural Resources of the House of Representatives a report on the prize competition that includes-- (1) a statement by the Board that describes the activities carried out by the Board relating to the duties described in subsection (c)(3); (2) if the Secretary has entered into an agreement under subsection (d)(1), a statement by the National Fish and Wildlife Foundation that describes the activities carried out by the National Fish and Wildlife Foundation relating to the duties described in section 4007(b); and (3) a statement by 1 or more of the judges appointed under subsection (e) that explains the basis on which the winner of the cash prize was selected. (g) Termination of Authority.--The Board and all authority provided under this section shall terminate on December 31, 2022. SEC. 4007. ADMINISTRATION OF PRIZE COMPETITIONS. (a) Additional Requirements for Advisory Boards.--An advisory board established under section 4002(c)(1), 4003(c)(1), 4004(c)(1), 4005(c)(1), or 4006(c)(1) (referred to in this section as a ``Board'') shall comply with the following requirements: (1) Term; vacancies.-- (A) Term.--A member of the Board shall serve for a term of 5 years. (B) Vacancies.--A vacancy on the Board-- (i) shall not affect the powers of the Board; and (ii) shall be filled in the same manner as the original appointment was made. (2) Initial meeting.--Not later than 30 days after the date on which all members of the Board have been appointed, the Board shall hold the initial meeting of the Board. (3) Meetings.-- (A) In general.--The Board shall meet at the call of the Chairperson. (B) Remote participation.-- (i) In general.--Any member of the Board may participate in a meeting of the Board through the use of-- [[Page S3380]] (I) teleconferencing; or (II) any other remote business telecommunications method that allows each participating member to simultaneously hear each other participating member during the meeting. (ii) Presence.--A member of the Board who participates in a meeting remotely under clause (i) shall be considered to be present at the meeting. (4) Quorum.--A majority of the members of the Board shall constitute a quorum, but a lesser number of members may hold a meeting. (5) Chairperson and vice chairperson.--The Board shall select a Chairperson and Vice Chairperson from among the members of the Board. (6) Administrative cost reduction.--The Board shall, to the maximum extent practicable, minimize the administrative costs of the Board, including by encouraging the remote participation described in paragraph (3)(B)(i) to reduce travel costs. (b) Agreements With the National Fish and Wildlife Foundation.--Any agreement entered into under section 4002(d)(1), 4003(d)(1), 4004(d)(1), 4005(d)(1), or 4006(c)(1) shall comply with the following requirements: (1) Contents.--An agreement shall provide the following: (A) Duties.--The National Fish and Wildlife Foundation shall-- (i) advertise the prize competition; (ii) solicit prize competition participants; (iii) administer funds relating to the prize competition; (iv) receive Federal funds-- (I) to administer the prize competition; and (II) to award a cash prize; (v) carry out activities to generate contributions of non- Federal funds to offset, in whole or in part-- (I) the administrative costs of the prize competition; and (II) the costs of a cash prize; (vi) in consultation with, and subject to final approval by, the Secretary, develop criteria for the selection of prize competition winners; (vii) provide advice and consultation to the Secretary on the selection of judges under sections 4002(e), 4003(e), 4004(e), 4005(e), 4006(e) based on criteria developed in consultation with, and subject to the final approval of, the Secretary; (viii) announce 1 or more annual winners of the prize competition; (ix) subject to subparagraph (B), award 1 cash prize annually; and (x) protect against unauthorized use or disclosure by the National Fish and Wildlife Foundation of any trade secret or confidential business information of a prize competition participant. (B) Additional cash prizes.--The National Fish and Wildlife Foundation may award more than 1 cash prize annually if the initial cash prize referred to in subparagraph (A)(ix) and any additional cash prize are awarded using only non-Federal funds. (C) Solicitation of funds.--The National Fish and Wildlife Foundation-- (i) may request and accept Federal funds and non-Federal funds for a cash prize; (ii) may accept a contribution for a cash prize in exchange for the right to name the prize; and (iii) shall not give special consideration to any Federal agency or non-Federal entity in exchange for a donation for a cash prize awarded under this section. (c) Award Amounts.-- (1) In general.--The amount of the initial cash prize referred to in subsection (b)(1)(A)(ix) shall be $100,000. (2) Additional cash prizes.--On notification by the National Fish and Wildlife Foundation that non-Federal funds are available for an additional cash prize, the Secretary shall determine the amount of the additional cash prize. Mr. McCONNELL. Mr. President, I ask unanimous consent that the committee-reported substitute amendment be agreed to, the bill, as amended, be considered read a third time and passed, and the motion to reconsider be considered made and laid upon the table. The PRESIDING OFFICER. Without objection, it is so ordered. The committee-reported amendment in the nature of a substitute was agreed to. The bill (S. 826), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

**Load-Date:** August 1, 2017

**End of Document**



[***US Tariff Announcement Underlines Risk Of Trade War Escalation***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SFF-SBG1-JD33-J2HK-00000-00&context=1516831)

Business Monitor Online

May 31, 2018 Thursday

Copyright 2018 Business Monitor International Ltd. All Rights Reserved



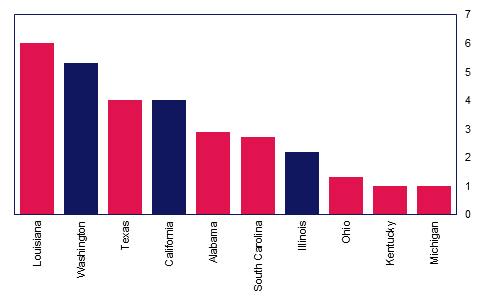
**Length:** 1804 words

**Highlight:** While recent threats by US President Donald Trump on May 29 to impose a 25% tariff on USD50bn worth of Chinese goods likely amounts to little more than a negotiating tactic, the US focus on so-called industrially significant technologies heightens the risk of escalation between the two countries. Indeed, while China has shown itself willing to compromise in the area of trade deficit reduction, it will not take any actions which threaten its strategically important “Made in China 2025” ***programme***.

**Body**

*BMI View: While recent threats by US President Donald Trump on May 29 to impose a 25% tariff on USD50bn worth of Chinese goods likely amounts to little more than a negotiating tactic, the US focus on so-called industrially significant technologies heightens the risk of escalation between the two countries. Indeed, while China has shown itself willing to compromise in the area of trade deficit reduction, it will not take any actions which threaten its strategically important &quot;Made in China 2025&quot;* ***programme****.* On May 29, US President Donald Trump announced ***plans*** to impose a 25% tariff on USD50bn worth of Chinese goods - a seemingly sharp reversal from Treasury Secretary Steven Mnuchin's announcement that the trade war between the two nations was being put 'on hold'. More than anything, we think this latest announcement represents an attempt at 'hardball' negotiating with China ahead of Commerce Secretary Wilbur Ross' June 2-4 visit. However, the announcement both highlights and exacerbates the risks of a 'tit-for-tat' trade spat escalating into a trade war, especially given the deep fundamental divisions between the US and China on key policies like investor protections, Chinese support for ***strategic*** sectors and investment restrictions. Infighting within the Trump administration on the issue of trade will only exacerbate the risks, potentially undercutting scope for any sort of 'grand bargain' with China.

**Negotiating Tactic Rather Than A Prelude To a Trade War...** There are some reasons to believe that the recently announced trade tariffs are more of a negotiating tactic rather than a ***plan*** that the Trump team necessarily wants (or ***plans***) to follow through with. We do not see it as an accident that the announcement has come several days before Ross' June 2-4 visit to China. This could also be understood as domestic political 'virtue signalling' by Trump to stymie criticism from fellow Republicans after the US Department of Commerce reached a deal (encouraged by the president) to help Chinese telecoms firm ZTE to stay in business. Finally, with many of the same 'calendar based' factors that had first encouraged Trump's negotiating team to put the trade dispute 'on hold' still very much in place, this may further temper the risk of an immediate escalation between the sides.Specifically: **North Korea Summit:** While the June 12 summit has been officially cancelled, both North Korean and US officials have demonstrated significant commitment, through more positive rhetoric, to ensuring a meeting takes place. As China wields significant influence over Pyongyang, there remains significant scope for the US to attempt to pause its own tensions with the Asian giant in a bid to ensure successful negotiations with North Korea. Crucially, we believe President Trump likely sees the summit, and efforts to re-connect North Korea with the world economy, as a validation of his own aggressive tactics and even, potentially, as a part of his legacy. **US Midterm Election:** With the November midterms fast approaching, President Trump may be increasingly focused on how to position his policies to support Republican efforts to hold the House and Senate. His decision to withdraw from the Trans-Pacific Partnership and the threat of a trade war with China - potentially resulting in retaliatory tariffs on ***agricultural*** products like soybeans and livestock - have already drawn the ire of key parts of Trump's constituency in the so-called 'Farm Belt' states. Should China enact retaliatory tariffs states like Indiana, Ohio and Michigan - both major soy ***producers*** and key battleground states - would be hit hard. **Tariffs A Threat Ahead Of November Midterms** US States - Exports To China Under Threat From Retaliatory Trade Tariffs *Note: Red/Blue colouring of bars represents states won by Trump vs Clinton in 2016. Source: Bloomberg***...But China And The US Still Far Apart On Deal Fundamentals** There are reasons to believe that the US may be merely adopting a hardline position ahead of negotiations and China's initial response has been muted. Crucially, it remains the case that it is not our core view that we will see an outright trade war between the US and China. However, should we see these tariffs adopted, the potential for a rapidly escalating tit-for-tat tariff dispute would be increased. The tariffs will be focused on the tech sector and other industries identified in the Made in China 2025 ***programme*** as 'high growth'. There are also ***plans*** to limit China's investment into 'industrially significant technologies' in the US. These are not new tariffs, but instead follow from the conclusions of the US Trade Representative's Section 301 investigation into China's industrial and intellectual property policies in May. (Indeed, President Trump first threatened to slap tariffs on China for violating US IP rights in April.) However, they represent a reversal from the mid-May announcements by the US and China that the trade war was 'on hold'. Moreover, while the magnitude of these tariffs (USD50bn) is smaller than previous tariff threats by the White House in response to industrial and intellectual property issues (totalling USD150bn), they represent an attack on the Made in China 2025 ***programme***. This is a key pillar of China's economic development strategy and an area where we see very little room for compromise.US businesses have long complained that a combination of weak enforcement of Intellectual Property (IP) protections and the forced transfer of technology in exchange for access to the Chinese market has put them at a significant disadvantage, undercutting the benefits to the US economy from innovation. We also believe there remains significant concern within the US over Chinese subsidising of '***strategic*** sectors', such as like artificial intelligence, 5G, robotics, aerospace and marine engineering in an attempt to move the country's exports up the value chain. However, any measures which would threaten China's progress on the government's Made in China 2025 ***programme*** - such as a pullback in support for ***strategic*** high tech sectors, are likely to be a nonstarter. Notably, we continue to believe that President Xi will be unwilling to bend significantly, even if that means some short-term stress on the economy. Ultimately, there is little scope for detente on these issues, as unlike trade deficit reduction - which, while unlikely to occur to the extent the US demands - at least offers significant scope for highly visible symbolic compromises.



**Timeline Of Tech/IP Trade Spat Between The US And China**

|  |  |  |
| --- | --- | --- |
| Date | What Happened | Notes |
| August 14, 2017 | Tech/IP Unfair Practices Investigation Begins | Lighthizer ordered to investigate China under Section 301 of 1974 Trade Act - checking whether policies, laws, practices or actions may be unreasonable or discriminatory to US intellectual property rights, innovation or technological development |
| March 22 | Unfair IP/Tech Practices Result | Report released by Trump that finds China is conducting unfair trade practices under Section 301 of Trade Act of 1974. Trump verbally threatens USD60bn worth of Chinese products, a remedy at the WTO and new rules on investment |
| April 3 | Tariffs on 1,333 Products Announced | Trump administration releases list of 1,333 Chinese products under consideration for 25% tariff hike (totalling USD46bn in US imports). Sectors hardest hit are machinery and mechanical and electrical equipment. Around 85% of goods are intermediate goods, used by US companies are part of their supply chain - threatening to increase costs both in the US and undercut US firms' competitiveness |
| April 4 | China Retaliates | China publishes its list of 106 products, covering USD49.8bn of Chinese imports from the US. Cars, aircraft and ***agricultural*** products (such as soybeans) are hardest hit |
| April 5 | US considers adding USD100bn in tariffs | Trump instructs trade officals to consider an additional USD100bn in new tariffs on US imports of Chinese goods |
| April 6 | China vows to retaliate &quot;at any cost&quot; |  |
| April 9 | US prohibits American companies from doing business with ZTE | US DoC says this is a regulatory action, related to previous evasion of sanctions by ZTE |
| May 9 | ZTE forced to cease operations |  |
| May 13 | Trump Reverses Stance On ZTE | Trump tweets a pledge to help ZTE back into business, a move which surprises most in his administration |
| May 14 | Ross flips on ZTE | Commerce secretary announces that his agency is exploring 'alternative remedies' |
| May 18 | Progress on talks between the US and China | China announces that it will significantly increase its purchase of US goods and services but declines to state a numerical value. China also ends its investigation into imports of US sorghum |
| May 20 | Steve Mnuchin announces US and China have put tariffs &quot;on hold&quot; |  |
| May 22 | China reduction of tariffs of imports of US cars | Chinese finance minister announces tariff on US imported cars will drop from 25% to 15%, while tariff on car parts will drop to 6% |
| May 25 | Lifting of ZTE ban | US administration announces it is lifting the ban on ZTE under the condition that the company fire its management team, pay a fine and hire American compliance officers |
| May 29 | US announces it will implement 25% tariff on USD50bn of Chinese goods | Products will be &quot;related to the acquisition of industrially significant technology&quot;. List of products to be announced on June 15 |

Note: Any date without a year is 2018. Source: Complied news sources, BMI **White House Divisions Exacerbate Risks** The risks are only exacerbated given continued divisions within Trump's high level advisors over the direction of US trade. Trump's economic team remains sharply divided between those more supportive of free trade (including Treasury Secretary Steve Mnuchin and National Economic Council Director Larry Kudlow) and those that are more protectionist (US Trade Representative Robert Lighthizer, Commerce Secretary Wilbur Ross and National Trade Council Director Peter Navarro). The risk that infighting within the Trump administration undercuts efforts to reach an agreement with China is high. For example, the perception of the US as an unreliable negotiating partner could discourage China from putting its best deal on the table, and infighting within Trump's economic team only heightens that risk. Even if China does make a favourable offer to the US, there is potential that infighting within Trump's team means they are not able to capitalise on it. For example, while Ross ***plans*** to visit China later this week, there remain questions over the efficacy of such a trip, with anecdotal reports suggesting Ross is not the dominant voice on trade. Even if Ross does come to any sort of agreement with his Chinese counterparts, the risk is high that the Trump administration could renege, as many competing voices within the administration vie for dominance.

**Load-Date:** May 31, 2018

**End of Document**



[***Top news from Polish politics, economy, business & financial markets - 19:30; BUSINESS & EQUITY MARKET NEWS***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:64R9-6WS1-JCG5-H08F-00000-00&context=1516831)

PAP Market Insider

January 12, 2018 Friday 7:37 PM CET

Copyright 2018 PAP Polish Press Agency All Rights Reserved



**Length:** 1764 words

**Byline:** Tyrpa Glenn

**Highlight:** Following is a digest of the day's top news as compiled by PAP Market Insider.

**Body**

BUSINESS & EQUITY MARKET NEWS

BANKING - Poland's banking sector should generate a higher financial result in 2017 than initially forecast, financial market regulator KNF said in a report on banks' situation in Q1-Q3.

RETAIL/ BIEDRONKA - Biedronka, a Polish discount grocer owned by Portuguese Jeronimo Martins, enjoyed a like-for-like sales increase of 7.6% y/y in Q4, putting FY2017 sales to EUR 11.08 bln, Jeronimo Martins said in a statement with preliminary 2017 sales data.

FUELS / LOTOS - Listed fuel group Lotos is suffering delays on its EFRA investment ***program*** at its Gdansk refinery and will not meet the financial targets it had set for the project for 2018, management said in a market filing. The EFRA ***program***, launched in mid-2015, was said to be 84.2% complete at end-Q3.

POWER/ PGE - listed power group PGE will book PLN 807 mln in impairments on its conventional and renewable generation assets in its FY2017 report, management said in a market filing following impairments tests.

ASSET MANAGEMENT - Polish investment funds enjoyed ca. PLN 1.42 bln net inflows in December, down from ca. PLN 1.95 bln in November, the best result in a decade, researcher Analizy Online said in a report.

FUEL / PERN - State oil infrastructure operator PERN wants to spend ca. PLN 2 bln on investments until 2020, including ca. PLN 1 bln to be spent on a second pipeline stretch linking Gdansk with Plock, CEO Igor Wasilewski told journalists.

FUEL / PKN ORLEN, UNIPETROL - Fuel group PKN Orlen's Czech unit fully restored production at its partial oxidation (POX) installation which suffered as a result of a fire in December 2017, Unipetrol said in a press statement late Thursday.

INSURANCE/ PZU - Listed insurer PZU intends to pay its shareholders the highest dividend possible under the updated 2017-2020 strategy, CEO Pawel Surowka reiterated in a conversation with PAP. PZU wants to give its investors the profit which is not indispensable for financing the group's growth, Surowka explained.

BANKING / GETIN NOBLE BANK - Getin Noble Bank quickly resigned from a subordinated debt ***program*** whose issue documents had only been approved by regulators as recently as Wednesday, Getin Noble Bank said in a market filing.

INVESTMENT FUNDS - Polish mutual funds sold net PLN 18 mln worth of Polish equities in December and sold net PLN 142 mln worth of foreign stocks, Haitong Bank analysts said of their estimates.

TOURISM, PRIVATE EQUITY / STOCK MARKET / NOVATURAS, ENTERPRISE INVESTORS - Lithuanian tour operator Novaturas wants to enter the WSE in 2018, the company said in a press release. Novaturas will simultaneously be floated on Nasdaq Baltic. The company is controlled by private equity group Enterprise Investors. Novaturas estimates its 2017 EBITDA and revenues at ca. EUR 125 mln ca. EUR and 10 mln, respectively.

ASSET MANAGEMENT, AUTOMOTIVE - TFI PZU, BRITISH AUTOMOTIVE HOLDING - Insurance group PZU's asset manager TFI PZU reduced its holdings in car dealership company British Automotive Holding to 4.9% from 5%, British Automotive Holding said in a filing.

BANKING / BOS BANK - state controlled environment sector bank BOS Bank was cleared by regulators to put PLN 11.2 mln in H1 profits to retained capital, the bank said in a market filing.

CONSTRUCTION, HOUSEBUILDING/ DEKPOL - Construction and real estate Dekpol sold 802 apartments in 2017, up from 573 in 2016 and will book the sale of 573 apartments versus 176 in 2016, the company said in a press statement.

BROKERAGE / VESTOR DM - Brokerage Vestor DM will manage three IPOs and two SPOs in 2018, deputy CEO Tomasz Bardzilowski told reporters. Vestor expects strong activity on the M&A front this year, which may result in a high number of tender offers, he predicts.

REAL ESTATE - Real estate developers will supply 361k sqm of new commercial space in Poland in 2018, of which nearly 327k sqm is already under construction, consulting firm JLL estimates in a report. Poland's commercial space supply increased by 236k sqm in Q4 2017 and currently stands at 13.8 mln sqm, of which retail centers offer nearly 9.8 mln sqm.

INDUSTRY / GORENJE - WSE-listed Slovenian household appliance maker Gorenje wants to boost net profit to EUR 8.1 mln in 2018 from EUR 1.2 mln a year earlier, on revenues seen growing by 1.6% to EUR 1.33 bln, the company said in a filing. EBIT should grow 16.5% y/y to EUR 25.3 bln and increase by 13.1% to EUR 86.3 mln.

FINANCIALS / GETBACK - Debt collector GetBack raised PLN 145.8 mln in a private placement bond issue, the firm said in a market filing.

EQUITY RESEARCH - Following is a list of recent recommendations released publicly on January 12:

|  |  |  |  |
| --- | --- | --- | --- |
| Company | Recommendation | Target price | Brokerage |
| Alior Bank | overweight | PLN 100 | JP Morgan |
| JSW | buy | PLN 135.1 | Erste Group |
| Lotos | reduce | PLN 54 | Vestor DM |
| PKN Orlen | neutral | PLN 117 | Vestor DM |

ECONOMIC & FINANCIAL NEWS

TRADE BALANCE - Poland's foreign trade surplus measured by customs declarations hit EUR 1.811 bln in the first eleven months of 2017, the Central Statistical Office GUS announced.

INFLATION - Retail gasoline prices rose by ca. PLN 0.02 w/w to PLN 4.70 in the week ending January 11 and diesel prices increased by PLN 0.03 w/w to PLN 4.60, both rebounding after a dip in the previous week, while LPG prices edged down marginally but remained at PLN 2.14, a report by the Reflex brokerage showed.

INVESTMENTS - Polish Investment and Trade Agency PAIH will focus on connecting foreign investors with Poland's regional small and medium-sized companies in 2018, deputy head of PAIH Krzysztof Senger told PAP.

INFLATION - Poland might see a rise in cereals prices to end-H1, while prices of milk, butter and pork should decline noticeably, the data from the Polish state agency for supporting ***agriculture*** KOWR shows.

T-BOND OUTLOOK - POLGBs are expected to suffer in the long term on tightening monetary policy in the US and increasing risk of CPI path in Poland exceeding the expectations, analysts at Pekao bank said in their monthly report.

LEGISLATION / GAS INFRASTRUCTURE - Polish government should tackle a draft bill facilitating construction of ***strategic*** gas infrastructure in January, government plenipotentiary for ***strategic*** energy infrastructure Piotr Naimski told reporters.

FX, OPINION - The Polish zloty will continue to strengthen against the main currencies in the coming months and should approach EUR/PLN 4.10, supported by solid macro foundations of the domestic economy and the expectations for the start of the rate hike cycle, Raiffeisen Polbank analysts wrote in a report.

POLGB OUTLOOK - Polish Treasuries could gain in price in over the coming period, on support from a dovish MPC outlook, reduced January auction supply and a very captive audience in Polish banks, analysts at BZ WBK say in a new monthly market report.

FINANCIAL MARKETS

The Polish zloty inched forward around EUR/PLN 4.17 on Friday, a level locals say will likely hold early next week, while T-bonds recovered from a Thursday correction to edge the 5Y yield back down to 2.61% with US Tsy's now likely to set any new directions, local players told PAP.

FX & FI SPOT MARKET PRICES

|  |  |  |  |
| --- | --- | --- | --- |
| Fri | Fri | Thu |  |
| 16:24 | 09:38 | 16:12 |  |
| EUR/PLN | 4.167 | 4.169 | 4.174 |
| USD/PLN | 3.434 | 3.451 | 3.463 |
| DS1019 | 1.60 | 1.61 | 1.61 |
| PS0123 | 2.61 | 2.62 | 2.62 |
| DS0727 | 3.31 | 3.34 | 3.34 |

EQUITY MARKET

Warsaw's large-cap WIG20 index suffered mid-afternoon but managed to cling to mild gains by the close. The WIG20 ended with a 0.2% gain to 2539.3 points.

Losses for bank Pekao SA, the index's most heavily traded firm, dragged on the index to offset gains for rival PKO BP and fuel firm PKN Orlen.

Debt collector Kruk continues to suffer from a Q4 profit warning. Video games ***producer*** CD Projekt continued to gain following a rather speculative surge initiated after the company reactivated a long-silenced account for its long-awaited game Cyberpunk.

WSE INDEXES

|  |  |  |
| --- | --- | --- |
| Index | Value | Change |
| WIG | 65 465,65 | +0.13% |
| WIG20 | 2 539,29 | +0.19% |
| WIG30 | 2 912,78 | +0.16% |
| mWIG40 | 4 907,68 | -0.08% |
| sWIG80 | 15 041,51 | +0.23% |

MOST ACTIVES

|  |  |  |  |
| --- | --- | --- | --- |
| Company | Price | Change | Turnover |
| PLN | (%) | PLN mln |  |
| PEKAO | 131,50 | -1,13 | 98,0 |
| PKNORLEN | 107,50 | 0,42 | 76,8 |
| PZU | 45,37 | 0,49 | 72,0 |
| KRUK | 207,00 | -5,39 | 63,2 |
| KGHM | 113,95 | -0,31 | 50,7 |
| PKOBP | 45,49 | -0,02 | 50,3 |
| LPP | 9 630,00 | 2,01 | 44,1 |
| CDPROJEKT | 107,00 | 2,69 | 38,9 |
| JSW | 107,30 | 2,58 | 34,3 |
| ALIOR | 79,90 | 2,83 | 29,2 |
| PGNIG | 6,35 | 0,79 | 27,3 |
| CCC | 296,00 | -0,27 | 26,1 |
| EUROCASH | 25,59 | -1,58 | 24,2 |
| PGE | 12,63 | -0,55 | 23,7 |

POLITICAL & GOVERNMENT NEWS

PRESIDENT - Poland sees conducting a "harmonious" European policy as the main task of the EU institutions, rather than antagonizing the member nations, President Andrzej Duda said at the New Year's meeting with the diplomatic corps. EU must at present address three main threats to its existence, i.e. decomposition, political disintegration as demonstrated by Brexit, and losing its leading global role, Duda added.

PRESIDENT - Poland's two-year tenure as a non-permanent member of the UN Security Council will promote the values of solidarity, responsibility and involvement, President Andrzej Duda said during the New Year's address to the diplomatic corps. Poland will also support UN's peace initiatives, while engaging in mediation processes and preventing conflicts, Duda added.

GOVERNMENT, CABINET RESHUFFLE - Poland's newly created Ministry of Investments and Development will coordinate the country's social and economic policy, with implementation of the government's Strategy for Responsible Development seen as the main task, ministry's head Jerzy Kwiecinski said at a meeting with entrepreneurs in the central city of Kielce.

PARTIES/ NOWOCZESNA - Polish liberal opposition party Nowoczesna lost MP Adam Cyranski, the party head Katarzyna Lubnauer told the Radio Zet news broadcaster, confirming PAP's unofficial findings. Cyranski was one of Nowoczesna deputies who did not vote over the civic project liberalizing the abortion law and was subsequently fined by the party.

JUDICIARY REFORM - National Judiciary Council (KRS) chairman Dariusz Zawistowski stepped down on Friday in a protest against the KRS reform adopted by the ruling camp which according to the council constitutes a violation of the constitution, KRS spokesman Waldemar Zurek told PAP.

GOVERNMENT, CONSTRUCTION - Poland's revamped Infrastructure Ministry will remain in charge of construction, an ordinance issued by PM Mateusz Morawiecki shows. The ministry continues to operate on the same rules as its predecessor, the Ministry of Infrastructure and Construction, a spokesperson confirmed for PAP.

PARTIES/ PIS - Poland's governing party PiS is not ***planning*** to take any independent MPs on board after opposition party PO kicked out three members for violating caucus discipline in a vote on abortion rights, PiS spokesperson Beata Mazurek said.

kd/ maf/ fbe/ mie/ gty

**Load-Date:** February 25, 2022

**End of Document**



[***Architectural design studio on sustainable tourism alternatives in the San Antonio Missions Historic District***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BM4-FYP1-JBMY-H068-00000-00&context=1516831)

Tourism and Hospitality Research

July 2017

Copyright 2017 Sage Publications, Inc. All Rights Reserved



**Section:** Pg. 298-313; Vol.17; No.3; ISSN: 1467-3584, 1742-9692

**Length:** 8268 words

**Byline:** Sedef Doganer

Ali Bakir

Eugenia Wickens

Karla Boluk

Vasiliki Avgeli

**Body**

**ABSTRACT**

Tourism is one of the fastest growing industries in the world. San Antonio is one of the Texas’ top tourist cities and a major tourism destination nationally. The city has a rich and unique historic urban landscape characterized by its river with its famous “Riverwalk,” historic neighborhoods, and major landmarks such as San Antonio Franciscan Missions which are on the U.S. “tentative list” as possible UNESCO World Heritage Sites. Local government has completed a multiyear project to restore and enhance 13 miles of the San Antonio River both north and south of downtown. It is expected that the river improvement project will reinforce the connection to the San Antonio Missions and encourage visitors to circulate along the river beyond the downtown area. Master of Architecture students of The University of Texas at San Antonio (UTSA) explored the sustainable tourism alternatives in the Mission Historic District in the spring semesters of 2012 and 2013. The Advanced Design Studio (ARC 6136) focused on research-based exploration and application of advanced design theory relative to alternative tourism. This course discussed the relationships between the design of architecture, tourist city, and the alternative practices of tourism. Students investigated the tourism potentials in the District such as sustainable tourism, rural tourism, recreational tourism, cultural heritage tourism, and culinary tourism, and develop master ***plans*** for the selected sites. Students were expected to ***plan***, ***program***, and design the proposed tourism activities and tourist spaces on both urban and building scales. This paper focuses specifically on culinary tourism, cultural heritage tourism, and rural tourism, and discusses how to enhance the attractiveness of the destination for visitors and residents; expand the tourism activities offered; and provide maximum efficiency in the economical, historical, social, and cultural dimensions of tourism through sustainable development practices and proposed design projects.

**FULL TEXT**

**Introduction**

San Antonio has always been a tourist destination since 19th century. The Spanish Colonial Missions were attracting tourists even when the missions were mostly in ruins. After the Missions were restored in the early 20th century they once again became active parishes in the midst of neighborhoods (Doganer and Dupont, 2013).

Today’s tourism economy in San Antonio mostly depends on leisure travelers and convention planners. For the sustainable development of tourism in the city, new concepts and alternatives should be considered as a part of destination improvement process. This paper aims to discuss these potential sustainable tourism alternatives through architectural design and development proposals in the Missions Historic District of San Antonio.

Within this context, this paper examines sustainable tourism alternatives—specifically culinary tourism, cultural heritage tourism, and rural tourism—and their applications. Following the literature review on sustainable tourism alternatives, the economical impacts of tourism in San Antonio, and current tourism activities and projects in the city are analyzed. After the analysis, the necessity of destination improvement to enhance the attractiveness of the city is stated.

Lastly, this paper discusses the sustainable tourism development proposals in the San Antonio Missions Historic District that are designed by graduate students of The University of Texas at San Antonio (UTSA), College of Architecture, in order to improve and expand the tourism activities offered, to attract more tourists and increase the economic impacts of tourism, and to create significant benefits for the residents of the District while preserving their unique culture.

**Sustainable tourism alternatives**

The economical, political, social, and technological developments throughout the world have led to significant changes in tourism consumption models and during the early 1970s, the “cautionary platform” emerged and attention was drawn to the more negative consequences of tourism. It is pointed that the costs of tourism to the local economy, including environmental impacts in destination areas, pressure on local facilities, and changes in hosts’ lifestyles are brought about by the presence of tourism and tourists. In the late 1970s, Cohen (cited in Boyne (2003)) argued that attention was being overly focused on tourism’s negative effects. In the following years, several sustainable tourism alternatives such as, “cultural heritage tourism,” “ecotourism,” “culinary tourism,” “health and wellness tourism,” “adventure tourism,” and “rural tourism” were advocated as being less damaging to society and environment (Boyne, 2003). They are all forms of special interest tourism; they have grown rapidly since 1970 by responding to new markets, new lifestyles, and new product development opportunities and spurred by the rapid expansion of the mass media into niche markets, by the internet’s ability to inform, by new transport facilities, and by the surge in individualism and intellectual curiosity that society has seen (Lane et al., 2013).

Within this context, the aim of these sustainable tourism alternatives has been to improve the tourism phenomenon in such a way to contribute to the regional economy and local community without destroying the environment; society; and historical, natural, and cultural entities (Boyne, 2003). Sustainable tourism developments stimulate local economies, protect and enhance local resources, and foster community pride. Direct involvement of the local community in sustainable tourism development encourages an awareness of community assets—the culture, heritage, cuisine, and lifestyle—and this fosters community-based conservation of the assets (Bhattacharya and Ganguly, 2011).

Cultural heritage tourism, culinary tourism, and rural tourism are all considered as sustainable tourism alternatives, part of a global expansion of special interest tourism, and analyzed as potential sustainable tourism development areas within this research.

**Culinary tourism**

Food plays an important role in tourism development and tourist destinations increasingly market their local foodways as tourist attractions. Molz (2007) states that the term culinary tourism refers to practices of exploratory eating. Long (2004: 20–21) describes culinary tourism as: Culinary tourism is about food as a subject and medium, destination and vehicle, for tourism. It is about individuals exploring foods new to them as well as using food to explore new cultures and ways of being. It is about groups using food to ““sell” their histories and to construct marketable and publicly attractive identities, and it is about individuals satisfying curiosity. Finally, it is about the experiencing of food in a mode that is out of the ordinary, that steps outside the normal routine to notice difference and the power of food to represent and negotiate that difference… I define culinary tourism as the intentional, exploratory participation in the foodways of an other – participation including the consumption, preparation, and presentation of a food item, cuisine, meal system, or eating style considered to belong to a culinary system not one’s own.So culinary tourism is not necessarily about knowing or experiencing another culture but about performing a sense of adventure, adaptability, and openness to any other culture (Molz, 2007).

In USA, an increasing number of vacationers are basing their travel around food and wine. Culinary tourists are drawn by the opportunity to consume, such as dining at restaurants, sampling local beverages, attending cooking schools, or participating in formal wine tastings (Smith and Xiao, 2008). Of the 160 million U.S. residents who travel for leisure, about one in six have recently taken a food tour, enrolled in a cooking class, toured a winery, or otherwise participated in culinary activities as part of a vacation. Nearly half of that group took a trip or chose a destination because of the culinary activities they would find there (Gross, 2007).

Opening the International Conference on Food, Culture and Tourism in 2012, UNWTO Secretary-General, Mr Taleb Rifai pointed to growing demand for culinary tourism and increasing demand on seeking authentic experiences such as local culinary traditions. Local activities include the eating of meals prepared with local ingredients or the purchase of local food products that are subsequently taken home to give as gifts. It also includes attending local festivals in which local foods or beverages play an important role (Smith and Xiao, 2008). Thus, culinary tourism is an important vehicle for sustainable development; with locally sourced ***produced*** ensuring tourist dollars are invested back into the community, allowing other businesses to thrive (UNWTO, 2012).

**Cultural heritage tourism**

Heritage is a broad concept and includes the natural as well as the cultural environment. It encompasses landscapes, historic places, sites, and built environments, as well as biodiversity, collections, past and continuing cultural practices, knowledge, and living experiences. It records and expresses the long processes of historic development, forming the essence of diverse national, regional, indigenous, and local identities and is an integral part of modern life. It is a dynamic reference point and positive instrument for growth and change. The particular heritage and collective memory of each locality or community is irreplaceable and an important foundation for development, both now and into the future (International Cultural Tourism Charter, 1999).

Cultural heritage tourism is “traveling to experience the places and activities that authentically represent the stories and people of the past and present” (National Thrust for Historic Preservation, n.d.). It is an economic development tool designed to attract visitors to an area based on the unique aspects of the locality’s history, landscape, and culture. This not only boosts regional and local pride but is also a good source of revenue for a community and creates jobs. Historic preservation is a tool for preserving a historic place, incubating small businesses, revitalizing downtowns, generating local jobs, and creating improvements in a community (Doganer, 2013).

Although, cultural heritage tourism and sustainability evidently share a common theme, there has been paid very little attention to explore the relation of these two concepts (Garrod and Fyall, 2000). The increasing recognition of sustainable development has resulted in tourism being viewed as an activity, which could be developed in conformity with the objectives of this concept. The 1982 Joint Declaration of the World Tourism Organization (UNWTO) and the United Nations Environment ***Program*** expresses the goal of sustainable tourism as The protection, enhancement, and improvement of the various components of man’s environment are among the fundamental conditions for the harmonious development of tourism. Similarly, rational management of tourism may contribute to a large extent to protecting and developing the physical environment and the cultural heritage, as well as improving the quality of life. (Drost, 1996)At a time of increasing globalization, the protection, conservation, interpretation, and presentation of the heritage and cultural diversity of any particular place or region are important challenges for people everywhere (International Cultural Tourism Charter, 1999). Most countries encourage the preservation of heritage as an asset for all the community. It can be used to evoke a sense of continuity of culture, enrichment of people’s lives, as a link with the past and to allow society to make sense of the present (Doganer et al., 2013). Heritage sites provide the tangible links between past, present, and future and ideally cultural heritage tourism should bring economic benefits to host communities and provide a significant means and motivation for them to manage their cultural heritage and continuing traditions (Cros, 2001).

**Rural tourism**

In the 21st century, it is a common case of the sustainability of the tourism comprehension and the variety of the tourism movements. The idea of sustainable tourism development is now a popular concept and refers to allowing tourism growth while at the same time preventing degradation of the environment, as this may have important consequences for future quality of life (Nijkamp and Verdonkschot, 1996).

The Brundtland Report of 1987 defines sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” The message here is that long-term preservation of the environment is essential for future use (Berry and Ladkin, 1997). In this respect, the concept of sustainability becomes important as it is frequently mentioned in economical, social, cultural, political areas. As sustainability is a phenomenon formed to take basic continuity of the sources in every field, it is a combination of progress, ***planning***, and development that aims to remove some negative situations which today’s consumption society can cause.

The OESD describes “rural tourism” as “a dynamic concept, encompassing multiple objectives such as equalization of incomes of rural and urban populations, equal access to social services, creation of equal employment opportunities and protection of rural amenities.” It is typically characterized as small-scale, well-managed, educational, and frequently high-end market (Roberts et al., 2003). Rural tourism not only offers business opportunities to local residents but also enhances local quality of life (Doganer, 2014).

Rural environment is an essential requirement for many visitors, since rural tourism is ultimately a form of escapism from everyday urban and suburban life. Rural life embodies all qualities that are missing from the urban area and modern urban society (Bramwell, 1994). Tourism literature often emphasizes the tourists’ quest for authenticity, which means that modern tourists are in search of unspoilt nature, landscapes, and local cultures with a distinct regional or local character (Midgard, 2003).

Rural tourism includes visiting a working farm or any ***agricultural*** facility for the purpose of enjoyment, education, or active involvement in the activities of the “place.” Special interest nature holidays and ecotourism, walking, climbing and riding holidays, adventure, sport and health tourism, hunting and angling, educational travel, arts and heritage tourism are other types of rural tourism activities (Irshad, 2010).

**Sustainable tourism development *planning***

Nowadays tourism ***planning*** is strongly oriented toward the notion of sustainable tourism development. Sustainable tourism development protects and enhances the opportunity for future while meeting the needs of the present tourists (Khanal and Babar, 2007). Cooper and Hall (2008: 209) states At the destination level, a sustainable approach to tourism is concerned with tourism being the most appropriate form of development of the economic, social and physical resources of a region in a manner which conserves the social and physical environment and which promotes the long-term goals of the community.Tourism development ***plans*** provide guidelines for the sustainable development of high quality tourism infrastructure and superstructure. This ensures improved governance and management in the entire ***planning*** and development process. Sustainable tourism development requires involvement and participation of tourism facility planners, owners, operators, and local community representatives. UNWTO defines the methods of ***planning*** tourism developments as below: Review and analyze the current situation of the tourism industry;Based on the extensive field surveys, identify and determine the tourism zones;Formulate a set of recommendations on the type of tourism development for each zone;Identify the overall strengths and weaknesses of each tourism zone;Formulate a set of urban ***planning*** and facility development guidelines for tourism infrastructure development for the tourism zones;Select three to five priority tourism zones of different type and character and formulate area-specific guidelines for these zones;Develop a set of design guidelines for the main elements of each priority zone and illustrate them in terms of type, scale, and character of the proposed development including landscaping, traffic, and pedestrian environment;Identify a ***planning*** and development control system to support tourism zones structure and development ***plans*** (UNWTO Technical Product Portfolio, n.d.).

**Tourism in San Antonio, Texas**

San Antonio is one of the top tourist cities in United States. The city has a rich and unique historic urban landscape characterized by its river with its famous “Riverwalk,” historic neighborhoods, and major landmarks such as San Antonio Franciscan Missions which are on the U.S. “tentative list” as possible UNESCO World Heritage Sites (WHSs) (Doganer, 2013).

San Antonio has emerged as a top-tier destination for leisure travelers and convention planners. Each year, millions of leisure visitors come to San Antonio to shop, play, and enjoy the city’s unique history and culture. In 2011, the city hosted 22.3 million leisure, 5.6 million business and convention visitors. More than half of leisure visitors (13 million) were overnight visitors.

As a desirable destination, San Antonio has the advantage of a strong hospitality industry that is resilient over the business cycle. According to the Economic Impact of San Antonio’s Hospitality Industry report, from 2001 to 2011, the economic impact of the hospitality industry increased from $8 billion to $12.2 billion. Because visitors bring new dollars to San Antonio, their spending has a multiplier effect. Each dollar of visitor spending generates approximately one additional dollar of income for San Antonio as the effects of this spending work their way through the local economy (Butler and Stefl, 2012).

The value of investment in the visitor industry can be significant and broadly distributed. Efforts to increase overall visitation, length of stay, and number of conventions could have a significant financial impact. Based on “Destination S.A. Update 2011: ***Strategic*** Vision for Visitor Industry Growth in San Antonio” (CSL, 2012): The visitor length of stay in San Antonio ranges from one day to over 7 days, with an average of approximately 4.5 days. Many of the recommendations contained herein are designed to provide opportunities to extend the visitor stay. For every one-half day that the typical visitor extends their stay, hospitality industry impact could increase by approximately 11 percent. Given the reported annual hospitality industry impact of approximately $9 to $11 billion and the share of this that originates from overnight visitors, the one-half day extended stay equates to an approximate $1.0 billion in added San Antonio area economic impact.The comprehensive branding campaign encompasses San Antonio history, arts and culture, world class cuisine and wine, family fun, romance, and sports and outdoor. Numerous investment and policy initiatives have been implemented to support and enhance the visitor industry in San Antonio. Several significant investments in the local visitor industry have either taken place or are ***planned*** for the community. These include, but are not limited to the following: Witte South Texas Heritage Center, McNay Art Museum, HemisFair Park, River Improvements Project, San Antonio International Airport Expansion, Pearl Brewery Development and the new hotel, San Antonio Bike ***Programs***, Convention Center Improvements and the ***planned*** New Expansion, Tobin Center for the Performing Arts, Confluence Park River South Coordinated Management ***Plan***, Mission Reach Recreation Concessions Study, Downtown Transportation, ***Plan*** Alamo Plaza Study, Placemaking Campaign, New Childrens Museum, San Pedro Creek, and Big Tex project.

To enhance the attractiveness of the destination for visitors and residents, to expand the tourism activities offered, and to create significant economic benefits for the residents, the unique cultural and historical characteristics of the San Antonio destination should be protected and intensified. As recommended in Destination S.A. update (CSL, 2012), new concepts and sustainable tourism alternatives should be considered as part of destination improvement process.

**Architectural design studio on sustainable tourism alternatives in the San Antonio Missions Historic District**

Master of Architecture students of UTSA explored the sustainable tourism alternatives in the Mission Historic District in the spring semesters of 2012 and 2013. The Advanced Design Studio (ARC 6136) focused on research-based exploration and application of advanced design theory relative to alternative tourism. This course discussed the relationships between the design of architecture, tourist city, and the alternative practices of tourism. Students investigated the tourism potentials in the District such as sustainable tourism, cultural heritage tourism, rural tourism, recreational tourism, and culinary tourism, and develop master ***plans*** for the selected sites. Students were expected to ***plan***, ***program***, and design the proposed tourism activities and tourist spaces on both master ***plan*** and building scales.

**San Antonio Mission Historic District**

The Missions Historic District, located along the San Antonio River in the south section of the city, includes the lower four missions (listed from north to south: Concepcion, San Jose, San Juan Capistrano, and Espada), their *acequias* and fields. The Catholic Church and the Spanish government established five mission compounds and a small military base in the 18th century that established today’s San Antonio, Texas. San Antonio River was the lifeblood of the missions located within easy reach of its banks. The area had originally attracted both prehistoric Indian and historic Spanish and Anglo populations because of the prevalence of unique natural resources. The area was utilized for ***agricultural*** purposes as well as local industries after the establishment of the Spanish Missions (City of San Antonio, n.d.).

Local government has completed a multiyear project—San Antonio River Improvements Project (SARIP)—to restore and enhance 13 miles of the San Antonio River both north and south of downtown. In 2009, over 1.7 million people visited Missions Concepción, San José, San Juan, and Espada while 26 million people visiting downtown San Antonio in total. It is expected that SARIP will also affect the area by restoring the river’s natural features, re-creating and preserving the natural ecosystem for the enjoyment of the area’s residents and visitors. The project will also reinforce the connection to the San Antonio Missions and encourage tourists to circulate along the river beyond the downtown area (UTSA and The Harbinger Consulting Group, 2011).

San Antonio Missions are on the U.S. “tentative list” as possible UNESCO WHSs. The WHS nomination is expected to be reviewed in 2015. Recognition as a WHS would put the missions in the company of fewer than 1000 places around the world that are recognized for outstanding historical, artistic, scientific, or natural values (UNESCO, n.d.). WHS status can bring enhanced resources for conservation and additional funding and investment, and benefit nearby communities from increased visitation and tourist spending. These communities can also contribute to local economic development and revitalization. The new report on potential economic impact of WHS designation funded by Bexar community indicates that WHS designation could be both an outstanding promotional opportunity and a high-profile catalyst for developing more significant cultural and heritage tourism in the area (The Harbinger Consulting Group, 2013).

The Harbinger Consulting Group (2013) states, Cultural travelers, whether domestic or international, look for experiences that are unique to a place. The World Heritage Site can be used to capture the attention of these potential visitors, but they will be looking for other high quality, engaging, authentic cultural experiences to augment their WHS visit. Use WHS designation as a catalyst for developing and connecting other heritage tourism opportunities and local businesses.In this sense, one of the significant projects around the Missions is San Juan Demonstration Farm. As this demonstration Spanish colonial farming interpretive ***program*** come online in the next few years, visitor activity is projected to steadily increase (UTSA and The Harbinger Consulting Group, 2011). Economic benefits will grow with collaboration, promotion, and use of the WHS to catalyze additional tourism activities (Doganer and Dupont, 2013).

**Studio content**

This semester long project was to design an alternative tourist environment in the San Antonio Missions Historic District. Contemporary design theory, site ***planning***, ***programming***, functional organization, spatial experience, structural considerations, material selections and applications, and environmental concerns were studied within the studio content.

This interdisciplinary research studio focused on urban and building scales and considered the relationship between tourist activities and architectural environments in both scales. “Architecture + Tourism” studio designed with three parts: research (three weeks), master ***plan*** (four weeks), and building design (seven weeks).

**Research**

First part of the studio was to research and analyze the tourism activities and ongoing projects in San Antonio and explore tourism alternatives to increase sustainable tourism developments in the Missions Historic District. One team of students studied current tourism activities in San Antonio while the other team was analyzing and mapping the Mission Historic District and its unique culture. Then students explored the potential tourism alternatives in San Antonio such as sustainable tourism, cultural heritage tourism, ecotourism, rural tourism, culinary tourism, recreational tourism, health, sports, food, music, and festival tourisms. After the site analysis, survey, and exploration, studio discussions focused on: how to enhance the attractiveness of the destination for visitors and residents;how to provide maximum efficiency in the economical, historical, social, and cultural dimensions of tourism through sustainable development practices;how to preserve and share District’s unique cultural culture with visitors;how to create significant economic benefits for the residents;how to expand sustainable tourism activities offered and develop alternative projects. By the end of the third week and after their research, students decided to work on cultural heritage tourism, recreational tourism, rural tourism, and culinary tourism, and they teamed up.

**Master *plan***

Second part of the studio was to work on alternative tourism development ***plans*** in the Missions Historic District. Based on their research, master ***plan*** teams decided their sites, developed their specific tourism ***plans***, and designed the selected urban spaces to accommodate related activities for tourists and residents (Figure 1). Students were expected to engage social theories and tourist behavioral studies as to contribute to the formation of tourist spaces. By the end of seventh week, master ***plans*** were completed and students started to work individually. Figure 1.Map of sustainable tourism development projects designed in “Architecture + Tourism” Studio.

**Building design**

Last part of the studio was to work on building scale with students’ choice of ***program***. Students selected a site within the proposed master ***plan***, developed a building ***program*** to enhance the alternative tourism activities, and designed the building. Students were expected to improve complex ***programming*** and contextual design methodologies, and integrate esthetic and functional design principles in their designs.

By the end of two semesters, students developed seven master ***plans***—culinary tourism, recreational tourism, rural tourism, and cultural heritage tourism in four different sites–and 26 building design projects (Table 1). Culinary tourism (master ***plan*** team 1), cultural heritage tourism (master ***plan*** team 4), and rural tourism (master ***plan*** team 3) development projects are studied in this paper as case studies. Table 1.List of sustainable tourism development projects designed in “Architecture + Tourism” Studio.

**Culinary tourism development project**

San Antonio has a very rich culinary landscape and very well known with its Tex-Mex kitchen. Beyond Tex-Mex are German bakeries, Mexican cantinas, French bistros, Italian trattorias, and Hill Country wines. There are also several events in the city for the celebration of food, wine, spirits, and fine tastes such as Culinaria festival week, 5K Wine and Beer Run, and Restaurants week. One of the three culinary institutes in US is also located in San Antonio. Culinary Institute of America (CIA) is a welcoming community of students, instructors, and alumni who have a deep commitment to the culinary arts and a kinship with those who practice them (CIA, n.d.).

There are many family-owned restaurants along Presa Street and Roosevelt Avenue in the heart of Southtown in San Antonio. Each one has its own distinct character and the reviews for these eateries are generally favorable. With a mixture of both Mexican Cuisine and American Comfort Food, there are several choices in the Missions Historic District that are spread quite evenly throughout the area.

According to San Antonio’s Hospitality Industry Report (2012), restaurants and catering sector made the largest contribution to the local economy, accounting for $5.4 billion that equals to 44.2% of the total economic impact. The vast majority of this large impact was due to full-service or limited service restaurants and eating places ($4.7 billion), with the reminder coming from catering services and drinking establishments (Butler and Stefl, 2012).

**Master *plan*: Big Tex**

Master ***Plan*** Team 1 (team of four students) designed a new Culinary Tourism destination in Southtown. San Antonio has an already outstanding food industry supported by both the community and visitors. This design proposal offers an even greater opportunity to leverage that revenue. This design project capitalizes on the recently completed San Antonio River Improvement project and populates its west bank with multiple dining options, nightlife and entertainment, grocery market, food museum, localized cooking school, boutique hotel, and an educational paper recycling art facility with artist’s lofts.

The site is known as Big Tex site and located in between Blue Star Arts Complex and Lone Star Brewery, and across from the historic King William neighborhood. Blue Star Arts Complex was San Antonio’s first truly mixed-use project and has remained a vital anchor for the arts community ever since. The complex is home to San Antonio’s longest-running contemporary art space venues, shops, and studios. The triangular site is defined by San Antonio River, Probandt Street, and Lone Star Boulevard. Site is divided by two with extensive railway tracks. The old Big Tex Grain silos are located in the site along the river.

In an effort to enrich the community, the new master ***plan*** proposes a new land bridge over the existing railway tracks. The purpose of the proposed land bridge is to unify the site and connect two sides which were once divided by the railway. It will also host active farming space, green houses, walking/biking paths, and light wells and ventilation chambers. This design project creates a rich urban experience that is linked to the hike and bike trails along the river through the land bridge, plazas, and courtyards. It also proposes a bridge over to the historic King William neighborhood. The former granary’s iconic silo structures will retain artifacts from its industrial days (Figure 2). Figure 2.Master ***plan***: Big Tex (Derek Klepak, Benjamin Rosas, Vincent Ramirez, Seyedamin Banihashemi).

The proposed dining facilities and the land bridge define the plaza on the river which will also be used for cultural events and festivals such as fiesta and culinaria festivals. A total of 40–60% of the land bridge encompassed by the ***plan*** will be used to grow the food needed to support the restaurants and market for the local community. There are also allocated spaces for the local food trucks. The tight relationship with the community through each service reinforces the tourist interest because it is “where the locals go.”

**La Galeria**

La Galeria is a boutique hotel with a branding of the local artist and cyclist in San Antonio. The visitor will experience the historic and contemporary cultures of San Antonio at La Galeria as well as the unique palatable cuisines, ecological infrastructure, unique recycling facilities, and the cycling culture of San Antonio.

The restaurants and bar will be composed of a double floor dining area with a mezzanine level and an outdoor terrace garden where local crops will be grown on site and used in the kitchen. This restaurant will be easily accessible from the street level and open to the public. The entire hotel will be treated as hybrid art/cycling gallery to display and sell the cycling/art/fashion. The lobby will have an art gallery for specific art displays. The artists that have displays in the gallery will also be contracted to design specific guestrooms within the hotel, making each room different and unique. The hotel itself will be split between the suite tower and the standard room wing. The tower and wing will be connected with a pedestrian bridge at the land bridge level that will act as a social gathering space and circulation. The tower will have the lobby, gallery, restaurant, offices, and parking, which are located under the land bridge. On the land bridge level the tower will have a pool and bar that may be opened up to the bridge during warm months. Above the land bridge level will be the hotel suites, with a top roof terrace containing a garden/cafe.

The hotel was split into two wings in order to keep within the scale of the surrounding context while keeping within the volume occupancy of an average boutique hotel. The suite rooms will be on a separate track system that allows the rooms to move in and out of the structural framed building. The two wings both open up to the north for less indirect sunlight exposure and views to San Antonio’s Downtown and historic King William neighborhood (Figure 3). Figure 3.La Galeria (Vincent Ramirez).

**San Antonio Food Museum**

The San Antonio Food Museum is located in the east part of the site, under the land bridge and by the river. The food museum is designed for both exhibition and education purposes where the visitors can study and practice the art of food and all it encompasses, learn about the history of food and food preparation, taste different types of foods from different cultures, learn how to prepare the food they have just tasted, and buy ingredients and spices to prepare the food at home.

Food preparation is truly an art that involves fives senses. The culinary school will help students master this art and allow them to experiment and express their creativity. The museum will also be a place of gathering where the community can participate in culinary activities. The cuisine will vary and the menu will be completely dynamic, changing daily. Community cooking classes, cultural and civic events at museum will also help the museum to be the place for community to gather. San Antonio Food Museum will increase the level of excellence, the imagination, and the variety of food preparation in the culinary arts.

**Cultural heritage tourism development project**

Cultural heritage tourism promotes the unique aspects of the locality’s history, tradition, landscape, and culture and is more about the authentic experiences, stories of people, past and present.

San Antonio Missions play an important role in defining the city’s culture. These five Spanish missions blended native traditions with newly adopted Spanish ways and created a very unique culture in the district. The communities that still remain in the area are a very important part of San Antonio’s rich cultural heritage (The Harbinger Consulting Group, 2013) and have stories to share with visitors.

The purpose of this cultural heritage tourism development project is to develop a sustainable cultural heritage tourism ***plan*** to promote the continuity of cultural heritage through the benefits of tourism, to support and sustain the prosperity of the community, and to design a much livable, vibrant urban environment.

**Master *Plan*: Mitchell Quarter**

Master ***Plan*** Team 4 (team of four students) designed a cultural heritage destination which will attract both visitors and residents to the Mission Concepcion area and benefit the community. The new design project creates an urban space to live, play, shop, exercise, walk, bike, sit, look, learn, stay, and work. Besides residential areas, it also proposes social, cultural, recreational, commercial activities, and connects community small business owners to the cultural heritage tourism economy of the San Antonio Missions Historic District.

The Mitchell Quarter site is defined by US Highway 90, Probandt Street, Mitchell Street, and Mission Road, and located at the northwest corner of Mission Concepcion. San Antonio River divides the site by two. The main purpose of this design project is to connect two sides of the river and the Mission Concepcion effectively for pedestrian and vehicle. Mitchell Street is revamped into a greater connection that is celebrated and emphasized as the gateway to the Missions. It is designed as a fully functional boulevard complete with bike paths, sidewalks, and tree lines. Pedestrian access from public transportation is addressed in creating an entirely new pedestrian linear park that spans from Probandt Street all the way to Mission Concepcion, including a new pedestrian bridge over the San Antonio River.

The farmer’s market, restaurant and cafes, retail shops, health and wellness facility, mixed-use buildings with new residential housing, and parking garages are designed on the west side of the river. Land is given back to the community with the provision of a community center and small grocery store. Parking garages are places along the US Highway 90 to keep up with the scale. It is also proposed to preserve, renovate, and reuse the existing old houses with bed and breakfast purposes.

The site that is on the east side of the river, at the corner of Mission Concepcion, is considered more for cultural activities and service areas. The new tourism development ***plan*** sets out to further expand on the rich history of the City of San Antonio by introducing a heritage museum, children’s museum, and art square that feeds into Mission Concepcion. A new hotel is also designed to provide tourists a local place to spend evenings just next to Mission Concepcion.

All of these spaces are tied together by the new pedestrian linear park as well as the new Mitchell Quarter with the ultimate goal being an experience that takes you from the entrance to Mission Reach starting with Mission Concepcion and leads you beyond to the rest of the Missions and the rich history that San Antonio heritage has to offer (Figure 4). Figure 4.Master ***plan***: Mitchell Quarter (Jazmin Pacheco, Andrew Perez, Antony Plascencia, Levi Sanciuc).

**Quarter Pavilion: The poetics of movement**

Quarter Pavilion is designed to serve as an anchor upon Mitchell Boulevard to captivate both locals and tourists. The design purpose of the pavilion is to stand as a permanent structure that will highlight the rich and unique cultural heritage of Missions Historic District. Having carefully studied the neighboring environment, the structure is located and shaped to enhance a variety of vantage points.

The open-air pavilion serves a variety of purposes for the enrichment of the community which include the weekly farmer’s market, community gatherings, festivals, and other cultural events. Three sculptural roof canopies will define the pavilion and provide protected space for different social, cultural, and touristic activities (Figure 5). Figure 5.Quarter Pavilion (Antony Plascencia).

**Mission Heritage Museum**

The San Antonio Missions presently lack a substantial and comprehensive center for interpretation. Several of the missions currently have their own visitor’s center or small museums that give visitors a fragmented story. The Mission Heritage Museum will bring together stories, artifacts, and documents and present a complete interpretation. Visitors will be able to learn of all five of the mission’s history, significance, influence, and their important role in defining what San Antonio is today. The Mission Heritage Museum ***program*** also reaches out to a younger audience with a children’s museum. This wing of the museum will house interactive exhibits on the missions that are entertaining and educational as well as classroom-setting presentations or lectures. This will serve students as well as families who are looking for a unique experience. The museum is placed as a terminus to the Mitchell Quarter ***plan*** and functions as a gateway that embraces missions. The main gallery space is located on the bridge from where one is able to catch a glimpse of Mission Concepcion. The bridge also maintains an important connection between the museum plaza, Mitchell Street, and Mission Concepcion. The bus drop-off on Mitchell Street will give visitors the opportunity to utilize the museum as an orientation point for tour buses or larger group visits. To address San Antonio’s hot climate, the building is oriented to minimize solar heat gain and utilizes extensive covered walkways that shade visitors and windows. In the plaza, trees line the main circulation paths and seating for shade.

**Rural tourism development project**

Rural America is a popular tourist destination. According to a recent study, almost three out of four domestic trips taken are for leisure purposes (77%), and rural activities are one of the top five leisure travel activities for U.S. domestic travelers (U.S. Travel, 2011). Rural tourism involves activities such as tours of a farm; picking fruit or vegetables on a farm, orchard, or vineyard; guest stays on a farm or bed and breakfast; farm-work experiences; walking through a corn maze; petting and feeding animals; horseback rides; planting; gardening; and harvesting (NTA, 2013).

Even though Spanish Missions have a long history on ***agricultural*** activities and farming, there are not many rural tourism development projects in San Antonio. The most important one is the “Spanish Colonial Demonstration Farm,” which uses the rehabilitated acequia system, opened in August 2013 on the approximately 2 ha of labores (farmlands) closest to the Mission San Juan complex. Farming was an integral part of the mission system and by mid-century, San Juan with its rich farmland and pasture lands became a regional supplier of ***agricultural*** products to an area stretching from Louisiana to Coahuila, Mexico. Spanish Colonial Demonstration Farm is on the same historic labores that were cultivated in the 18th century (Los Compadres, n.d.). The farm interprets the role of ***agriculture*** in mission life and creates hands-on learning experiences for visitors and community members. It is expected that the farm will increase the visitation to Mission San Juan both for the general public and for specialized tour groups focused on educational activities related to ***agriculture*** (Ringenbach et al., 2014).

Another important project, which has potential to increase the visitation and rural activities, is opening of Rancho de Las Cabras, the historic ranch that provided livestock to feed Mission Espada. Rancho de Las Cabras is located 50 km south of San Antonio, and the ruins were donated to the Missions National Historic Park in 1995. There is only a guided tour every first Saturday of every month organized by the Park Service. Tour participants learn about ranching in Texas, the roots of the American cowboy culture, the role of ranchos in supporting the missions, and the archeological investigations conducted at the site (UTSA and The Harbinger Consulting Group, 2011). Development of visitor facilities and provision of basic visitor services at Rancho de Las Cabras will attract more visitors to the site and rural Texas.

**Master *Plan*: River South**

Master ***Plan*** Team 3 (team of four students) designed a new rural tourism destination in the southern part of the Missions Historic District, along the Mission Reach section of San Antonio River Improvement Project. The site is situated between Mission Espada and Mission San Juan, by the Demonstration Farm located just north of the site, and is on foot traffic from mission-goers and locals using the existing hiking/walking/biking trails.

The proposed master ***plan*** promotes a destination that would complement the two landmarks in close proximity and help stimulate rural tourism, which would create a synergy within the community at large.

The proposed master ***plan*** provides a lawn area for community gatherings and rural festivals, educational farmlands along with a farmers market, a beach and deck for fishing activities, a boutique hotel, an equestrian center, and a rural museum. The huge green scape—farmland and lawn area—is located between the river and Villamain road, surrounded by all other ***programs*** and activities offered (Figure 6). Figure 6.River South Master ***Plan*** (K. Fitzgerald, I. Ojeda, J. Calzada, and R. Neighbors).

This project promotes a healthier lifestyle for the surrounding neighborhoods. The community, along with tourists, plays an active role in keeping the ***agricultural*** history of the missions alive (Doganer, 2014).

**Farmers market**

The farmers market is located at the end of green scape, by the Villamain road, acting as the area that connects the activities from the river and green scape to the neighborhood. The market is composed of a series of stalls that allow for future expansion if necessary. The stalls are arranged to provide vehicular access through the middle of the market for the farmers to bring in ***produce***. The stalls also provide pedestrian streets for the shoppers to walk down and access the markets and food stalls. The different types of structures differentiate these areas: the wood structures are for pedestrian circulation, and the concrete and steel structures are for markets, and food stalls.

**Equestrian center**

The equestrian center is located on the east side of Villamain road and connected to the rest of the project by the proposed pedestrian bridge. The center offers 1 ha riding arena, stables to house 14 horses, a clubhouse, restroom facilities, and a restaurant.

**Rural museum**

The rural museum is located by the farmlands, in a close proximity to the historic acequia. The museum provides a learning environment to explore the historic rural lifestyles of the Missions. The project takes the advantage of the existing acequia system and integrates this irrigation system into the museum design. The ***program*** includes a proposed gallery area providing a unique, pleasant space for displays of dioramas and mock-ups demonstrating the colonial farming methods. The use of farmlands also provides a hands-on learning environment of farming practices for locals and tourists (Doganer, 2014).

**Discussion**

There is no doubt the daily benefits of these projects will breathe new life into the Mission Historic District and help to boost the economy of the area. The proposed sustainable tourism development projects will highlight the tourism potentials of the District, capitalize the public investments and improvements around the San Antonio Missions, and encourage the revitalization of the Missions Historic District. The culinary, rural, and cultural heritage tourism development projects will expand the activities offered for both tourists and locals, increase visitation and overnight stays, and create a significant economic benefit for the residents of District. The Mission Historic District will regain its sense of identity and share its treasures of history, culture, and heritage with all who visit and seek for authenticity.

Tourism can bring many benefits to a local economy but it can also disturb the quality of life of the local residents and cause gentrification. Throughout development process, if the Missions Historic District is not well managed it may lose its authenticity and thus its attractiveness to visitors (Brooks, 2008). In this respect, the proposed projects are very important in order to support and connect community small business owners to the existing tourism economy while ***planning*** for the possible upcoming WHS designation as well (Doganer and Dupont, 2013). The importance of this research seeks to not only support the preservation of resources while proposing sustainable tourism development projects, but the preservation and sustainability of local residents and local economy as well.

In order to understand the potentials of the Missions Historic District fully, further studies of this research are needed to examine sustainable tourism alternatives and their impact. Pragmatic applications of this study are also necessary and only possible with the support of local agencies. This developed research will be an exemplar of a new kind of applied research in the field of sustainable tourism development.

**Bibliography**

**REFERENCES**

Berry S, Ladkin A, (1997) Sustainable tourism: A regional perspective. Tourism Management 18(7): 434–440.

Bhattacharya B and Ganguly C (2011) Community initiatives in achieving sustainability through inclusive tourism practices. In: Articles And Case Studies: Inclusive & Sustainable Growth Conference I. Available at: [*http://www.ijacp.org/ojs/index.php/ISG/article/view/15/18*](http://www.ijacp.org/ojs/index.php/ISG/article/view/15/18) (accessed 14 September 2014).

Boyne S, (2003) New directions in rural tourism. In: Hall D, Roberts L, Mitchell M, (eds) New Directions in Rural Tourism, Burlington: Ashgate Publishing Limited, pp. 19–37.

Bramwell B, (1994) Rural tourism and sustainable rural tourism. In: Bramwell B, Lane B, (eds) Rural Tourism and Sustainable Rural Development, Great Britain: Channel View Publications, pp. 1–6.

Brooks G, (2008) Exploiting the benefits of world heritage listing: Evora, Portugal and Hoi An, Vietnam. In: Hayllar B, Griffin T, Edwards D, (eds) City Spaces – Tourist Places: Urban Tourism Precincts, Oxford, UK: Elsevier, pp. 341–357.

Butler RV and Stefl ME (2012) San Antonio’s hospitality industry: Remember the economic impact. San Antonio Area Tourism Council. Available at: [*http://www.sanantoniotourism.com/downloads/research/TourismReport.pdf*](http://www.sanantoniotourism.com/downloads/research/TourismReport.pdf) (accessed 29 March 2014).

CIA (The Culinary Institute of America) (n.d.) Available at: [*http://www.ciachef.edu/texas*](http://www.ciachef.edu/texas)/ (accessed 29 March 2014).

City of San Antonio (n.d.) Office of Historic Preservation, Local Historic Districts, Mission. Available at: [*http://www.sanantonio.gov/historic/Districts/Mission.aspx*](http://www.sanantonio.gov/historic/Districts/Mission.aspx) (accessed 29 March 2014).

Cooper C, Hall CM, (2008) Contemporary Tourism: An International Approach, Oxford, UK: Elsevier, Butterworth-Heinemann.

Cros H, (2001) A new model to assist in ***planning*** for sustainable cultural heritage tourism. International Journal of Tourism Research 3(2): 165–170.

CSL (Conventions, Sports & Leisure International) (2012) (2012) Destination S.A. Update 2011: ***Strategic*** Vision for Visitor Industry Growth in San Antonio, City of San Antonio, TX. Available at: [*http://www.sanantoniotourism.com/downloads/research/DestinationSAReport.pdf*](http://www.sanantoniotourism.com/downloads/research/DestinationSAReport.pdf) (accessed 14 September 2014).

Doganer S (2013) Cultural heritage tourism research: A sustainable community-based design project for the San Antonio Mission Historic District. In: WIT Transactions on Ecology and the Environment. Vol. 173. WIT Press, Southampton, UK, pp.219–230.

Doganer S (2014) Developing sustainable rural tourism in San Antonio, TX. In: International Antalya Hospitality Tourism and Travel Research Conference, Antalya, Turkey, 9–11 December 2014. Conference Proceedings CD \_ ISBN: 978-605-4483-22-8, pp.144 –157.

Doganer S and Dupont W (2013) Cultural heritage tourism and authenticity: San Antonio Missions Historic District. In: WIT Transactions on the built environment. Vol. 131. Southampton, UK: WIT Press, pp.15–27.

Doganer S, Lombardi A and Tumer EU (2013) Managing heritage sites while accelerating cultural heritage tourism in Antalya, Turkey. In: Heritage, Architecture and Landesign Focus on Conservation, Regeneration, Innovation, XI Internazionale di Studi, Capri/Italy, 13–15 June, La scuola di Pitagora editrice, Napoli, Italy, pp. 227–235.

Drost A, (1996) Developing sustainable tourism for world heritage sites. Annals of Tourism Research 23(2): 479–492.

Garrod B, Fyall A, (2000) Managing heritage tourism. Annals of Tourism Research 27(3): 682–708.

Gross S (2007) Travelling to eat: Food Tourism grows in USA. USAToday. Available at: [*http://usatoday30.usatoday.com/travel/destinations/2007-02-19-food-tourism\_x.htm*](http://usatoday30.usatoday.com/travel/destinations/2007-02-19-food-tourism_x.htm) (accessed 29 March 2014).

The Harbinger Consulting Group (2013) Building on a Strong Foundation: Potential Economic Impact of World Heritage Site Designation for the San Antonio Missions. Available at: [*http://www.bexar.org/whs/Missions\_WHS\_Report.PDF*](http://www.bexar.org/whs/Missions_WHS_Report.PDF) (accessed 3 March 2012).

International Cultural Tourism Charter (1996) (1999) Managing Tourism at Places of Heritage Significance, Mexico: ICOMOS International Council on Monuments and SitesAvailable at: [*http://www.icomos.org/charters/tourism\_e.pdf*](http://www.icomos.org/charters/tourism_e.pdf) (accessed 27 March 2013).

Irshad H (2010) Rural Tourism – An Overview. Government of Alberta, ***Agriculture*** and Rural Development, Alberta, Canada. Available at: [*http://www1.****agric****.gov.ab.ca/$Department/deptdocs.nsf/all/csi13476/$FILE/Rural-Tourism.pdf*](http://www1.agric.gov.ab.ca/$Department/deptdocs.nsf/all/csi13476/$FILE/Rural-Tourism.pdf) (accessed 14 September 2014).

Khanal BR and Babar JT (2007) Community Based Ecotourism for Sustainable Tourism Development in the Mekong Region. Policy Brief, Hanoi Resource Centre. Available at: [*http://cuts-international.org/HRC/pdf/PB-1-07.pdf*](http://cuts-international.org/HRC/pdf/PB-1-07.pdf) (accessed 1 April 2015).

Lane B, Weston R, Davies N, et al. (2013) Industrial Heritage and Agri/Rural Tourism in Europe. Directorate-General for Internal Policies-Policy Department B: Structural And Cohesion Policies-Transport and Tourism, European Union, Brussels.

Long ML, (2004) Culinary Tourism: Exploring the Other Through Food, Lexington: The University Press of Kentucky, pp. 20–21.

Los Compadres (n.d.) Los Compadres de San Antonio Missions, National Park, San Juan Spanish Colonial Farm. Available at: [*http://loscompadres.org/about-us/san-juan-spanish-colonial-farm*](http://loscompadres.org/about-us/san-juan-spanish-colonial-farm) (accessed 14 September 2014).

Midgart MR, (2003) Authenticity – Tourist experiences in the Norwegian Periphery. In: Hall D, Roberts L, Mitchell M, (eds) New Directions in Rural Tourism, Burlington: Ashgate Publishing Limited, pp. 102–114.

Molz JG, (2007) Eating difference: The cosmopolitan mobilities of culinary tourism. Space and Culture 10(1): 77–93.

National Thrust for Historic Preservation (n.d.) Heritage tourism. Available at: [*http://www.preservationnation.org/information-center/economics-of-revitalization/heritage-tourism/#.UTO\_fTk\_644*](http://www.preservationnation.org/information-center/economics-of-revitalization/heritage-tourism/#.UTO_fTk_644) (accessed 3 March 2012).

Nijkamp P, Verdonkschot S, (1996) Sustainable Tourism Development: A Case Study of Lesbos, Sustainable Tourism Development, The Netherlands: Avebury Athenaeum Press Ltd.

NTA National Tour Association (2013) Agritourism Market, Reference Guide. Available at: [*http://www.ntaonline.com/includes/media/docs/Agritourism-Market-Guide-NTA.pdf*](http://www.ntaonline.com/includes/media/docs/Agritourism-Market-Guide-NTA.pdf) (accessed 14 September 2014).

Ringenbach PT, Snow S, Morris S, et al. (2014) San Antonio Missions, Nomination to the World Heritage List by the United States of America, San Antonio, Texas, USA.

Roberts L, Mitchell M, Hall D, (2003) New directions in rural tourism: Local impacts and global trends. In: Hall D, Roberts L, Mitchell M, (eds) New Directions in Rural Tourism, Burlington: Ashgate Publishing Limited, pp. 225–233.

Smith SLJ, Xiao H, (2008) Culinary tourism supply chains: A preliminary examination. Journal of Travel Research 46: 289–299.

UNESCO World Heritage Centre (n.d.) Tentative List: San Antonio Franciscan Missions. Available at: [*http://whc.unesco.org/en/tentativelists/5247/*](http://whc.unesco.org/en/tentativelists/5247/) (accessed 3 March 2012).

UNWTO (World Tourism Organization) (2012) Food tourism an important pillar for tourism growth along the Silk Road. In: Flavours of the Silk Road: International Conference on Food, Culture and Tourism Conference, Baku, Azerbaijan, 6–7 September, Press Release No: PR12050. Available at: [*http://media.unwto.org/press-release/2012-09-07/food-tourism-important-pillar-tourism-growth-along-silk-road*](http://media.unwto.org/press-release/2012-09-07/food-tourism-important-pillar-tourism-growth-along-silk-road) (accessed 29 March 2014).

UNWTO (World Tourism Organization) (n.d.) Tourism Physical ***Planning*** and Resort Development. UNWTO Technical Product Portfolio. Available at: [*http://cooperation.unwto.org/technical-product/tourism-physical-****planning****-and-resort-development*](http://cooperation.unwto.org/technical-product/tourism-physical-planning-and-resort-development) (accessed 1 April 2015).

U.S. Travel (2011) Answer Sheet. Available at: [*http://www.ustravel.org/sites/default/files/page/2009/11/USTravelAnswerSheet.pdf*](http://www.ustravel.org/sites/default/files/page/2009/11/USTravelAnswerSheet.pdf) (accessed 14 September 2014).

UTSA Institute for Economic Development’s Center for Community and Business Research in conjunction with The Harbinger Consulting Group (2011) Economic Impact of the San Antonio Missions. National Historic Parks. Available at: [*http://ccs.utsa.edu/pdf/EconomicImpactMissions.pdf*](http://ccs.utsa.edu/pdf/EconomicImpactMissions.pdf) (accessed 3 March 2012).

**Load-Date:** March 29, 2024

**End of Document**



[***Register of Commission documents: The EU's beekeeping sector beekeeping sector Document date: 2017-10-24 EPRS\_ATA(2017)608786 At a glance***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R5J-9J41-JDG9-Y3B5-00000-00&context=1516831)

Impact News Service

December 12, 2017 Tuesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 1615 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

At a glance October 2017 EPRS | European Parliamentary Research Service EN Author: Rachele Rossi, Members' Research Service PE 608.786 Disclaimer and Copyright: This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2017.

[*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu) – [*http://www.eprs.ep.parl.union.eu*](http://www.eprs.ep.parl.union.eu) (intranet) –   [*http://www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (internet) –   [*http://epthinktank.eu*](http://epthinktank.eu) (blog) The EU's beekeeping sector Every year, the EU's 600 000 beekeepers and their 16 million beehives ***produce*** 200 000 tonnes of honey. This is not however sufficient to cover demand on the EU market, and the shortfall is made up by imports, above all from China. Threats to bee health and market competition make the economic viability of apiculture a critical matter. EU policies aim therefore to address these issues and promote beekeeping, an activity that is of vital importance to the environment. EU beekeeping in numbers Beekeepers and hives in the EU The EU numbers approximately 600 000 beekeepers and 16 million hives according to 2016 data reported by the Member States. Only 4 % of EU beekeepers have over 150 hives, commonly considered the minimum for professional ***producers***. However, this figure gives only an average indication of the number of hives that could provide a viable revenue, as the boundary between professionals and amateurs can vary across countries depending for example on differing profitability or income levels. Beekeepers are present in all EU countries, with big differences in terms of numbers and size (see Table 1). Germany accounts for about one in every six EU beekeepers, while there are only a few hundred in Cyprus, Luxembourg and Malta. In Italy, beekeepers with more than 150 hives manage 60 % of all bee colonies. While 72 % of EU apiculturists are members of a beekeepers' association, differences across the EU show fewer affiliates in France, Italy, Poland and Spain. National figures show a drop in the number of beekeepers but an overall stable number of beehives over recent years. EU farm statistics confirm this trend as regards farms with beehives. EU honey production and trade Honey is the best-known product of beekeeping, although other apiculture products (royal jelly, propolis, pollen and beeswax) and services (e.g renting out bees for pollination) can represent a source of income for beekeepers. EU beekeepers ***produce*** an average of 200 000 tonnes of honey a year, which makes the EU the second world ***producer*** after China, with respectively 12 % and 28 % of world production. However, the EU is not self-sufficient and China is the main source of EU honey imports. EU beekeepers have relatively high production costs compared with world competitors, and the limited EU exports of honey are priced higher than imports to the EU. Main challenges facing beekeepers Profitability is crucial for the sustainability of the apiculture sector. Like other ***agricultural*** ***producers***, beekeepers must cope with production and market challenges. When it comes to production, various factors can affect productivity in a beekeeping enterprise. Outbreaks of animal diseases, exposure to chemicals, losses in plant diversity, adverse climatic conditions or the deterioration of bees' natural habitats owing to natural or human factors can all threaten the productive capacity of beehives. These factors can also be among the causes of the bee health problems and high bee mortality rates registered in recent decades. Not only do bee Table 1 – Number of beekeepers in selected EU countries EU countries with more than 20 000 beekeepers Total number of beekeepers Beekeepers with >150 hives Number Average No of hives Germany 116 000 81 587 Poland 62 575 324 272 Italy 50 000 2 000 413 Czech Republic 49 486 107 260 France 41 560 1 717 366 United Kingdom 37 888 50 443 Austria 25 277 380 233 Greece 24 582 7 288 165 Spain 23 816 5 361 406 Romania 22 930 1 545 194 Hungary 21 565 1 546 218 Data source: EU countries National apiculture ***programmes***, 2016. EPRS The EU's beekeeping sector Members' Research Service Page 2 of 2 colony losses affect the economic viability of apiculture, but threats to bee health are a source of much wider concern, well beyond beekeepers, given bees' role in the natural pollination of cultivated crops and wild plants and therefore in the preservation of the environment and the production of food. As for the market, world competitors with lower production costs and cheaper prices represent a threat to EU ***producers***' market share. Furthermore, a 'control ***plan***' organised recently by the European Commission has highlighted illicit practices (e.g adulteration of honey with sugar) carried out both in and outside the EU. Noncompliance with EU rules on production standards, labelling, etc. affects beekeeper income and has triggered a call from ***producers*** for broader checks to secure fair competition on the EU market. EU policies addressing apiculture issues ***Agricultural*** market ***Agricultural*** policy measures always impact on beekeeping, whether directly or indirectly. Indirectly, they can help to improve the impact of farming practices on the environment (and thus on bees), for example by promoting the maintenance of permanent grassland or the adoption of environmentally friendly techniques. As for direct measures, apiculture products are part of the EU's ***agricultural*** markets and, in this context, EU funds are available to support bee health, hive management, technical assistance, analysis and research, market monitoring and product quality. To benefit from these funds, which cover up to 50 % of total expenses, EU Member States draw up three-year national apiculture ***programmes*** in cooperation with beekeeping organisations (Article 55 of Regulation (EU) No 1308/2013). Every Member State has a ***programme*** in place, for an overall 2017-2019 budget of €216 million (half from the EU budget) allocated according to the number of beehives in each country. Previous ***programmes*** used over 90 % of available EU funds. In defining measures to promote beekeeping, the European Commission can consult stakeholders in the civil dialogue group on animal products, whose ***strategic*** agenda seeks to promote beekeeping needs in EU ***agricultural*** policy making. Promotion and quality Beekeeping products can also benefit from promotion measures co-financed by the EU with a budget of over €100 million a year (Regulation (EU) No 1144/2014). Honey is included in several multi-product promotion campaigns in and outside the EU, while a Slovenian campaign is aimed at increasing public and beekeeper awareness of EU quality schemes. In this respect, more than 30 types of honey ***produced*** across the EU have received EU quality labels denoting protected designation of origin (PDO) or protected geographical indication (PGI), which can help to increase their economic potential. Plant health, food security, research and innovation EU policies covering areas other than ***agriculture*** can also help to address apiculture-related issues. On the plant protection side, for instance, decisions as to whether or not to authorise the use of a particular substance can have a significant impact on apiculture, as research has provided scientific evidence of the effects of certain pesticides on bees. On the food security side, the recently adopted Regulation (EU) 2017/625 on checks and penalties related to marketing rules in the EU food industry could benefit apiculture given the differences in production practices across the world and the high quantity of imported honey in the EU. This legislation contains measures that could help to fight honey adulteration fraud by ***producers*** both in and outside the EU. Various EU-funded research projects have studied bee health, honeybee colony losses, beehive management, etc. A recent €9 million project financed by the EU research and innovation ***programme*** Horizon 2020 is investigating hazard identification for bees, focusing on exposure to chemicals, the presence of pathogens, and bee nutrition. The European Food Safety Authority is, meanwhile, setting up an EU Bee Partnership (expected to be up and running in 2018), a platform for sharing data on bee health. European Parliament In its role as co-legislator, Parliament has adopted a number of measures promoting EU beekeeping. The 2013 reform of the CAP addressed concerns expressed in a number of Parliament resolutions on bee health and the situation of beekeeping (20 November 2008, 25 November 2010, 15 November 2011), while an own-initiative report (2017/2115(INI)) tabled by the rapporteur Norbert Erdös (EPP, Hungary) on prospects and challenges for EU beekeeping is currently under deliberation. Alongside its legislative contribution, Parliament recently hosted a hearing on the apiculture sector, while the sixth annual edition of Beeweek took place earlier this year. Stakeholders used these opportunities to share their views on the challenges facing beekeeping and the need to support its vital role for the environment, ***agriculture*** and rural areas, and have put forward a position paper on the future of EU ***agricultural*** policy, calling for concrete action to promote bee-friendly farming.

**Load-Date:** December 13, 2017

**End of Document**



[***Major National Review Recommends Ways Of Ending Hunger In Uganda***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-9YX1-F0YC-N4H2-00000-00&context=1516831)

Impact News Service

July 28, 2017 Friday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 606 words

**Body**

Rome: World Food ***Programme*** on social networks Organization has issued the following news release:

Most of Uganda’s children are going to school hungry and 29 percent of those aged under five are stunted due to poor feeding. Nearly half of all the country’s citizens overall, meanwhile, are consume less calories than they require each day.

Uganda does not store food for use in emergencies and the land tenure system, while recently improved, is undermining the country’s ***agricultural*** potential.

These are some of the findings of a ground-breaking independent review of hunger conducted over the last 11 months in Uganda. The review was commissioned by the National ***Planning*** Authority (NPA) with support from the United Nations World Food ***Programme*** (WFP) to assess Uganda’s readiness to end hunger - and achieve Sustainable Development Goal 2 of Zero Hunger by 2030.

“A large majority of school children enter class on an empty stomach and only one in three children gets to eat a meal at school,” NPA Chairperson Dr. Kisamba Mugerwa said today as the findings of the review were launched in Kampala.

Dr Mugerwa said that although data shows that rates of stunting, which leads to reduced physical and mental development, had reduced from 33 percent to 29 in the last six years, Uganda is not moving fast enough to meet the Zero Hunger target by 2030. As such, he said, the futures of hundreds of thousands of children in Uganda are under threat.

Diets of Ugandans in general have improved in the last seven years. However, Ugandans consume an average of 1,860 kilocalories per person per day compared to the minimum daily requirement of 2,200 kilocalories. People heavily depend on staple carbohydrates for calories while these staples are being ***produced*** in reduced quantities.

Uganda was found to have few food reserves, most of them being grain silos owned by private entities. Unlike its neighbours Kenya and Tanzania, the review states, Uganda has limited policy options to address sudden food shortages.

Only one in five land holdings in Uganda has a formal title, with a small share of those holdings being registered in the names of women. This, the review found, is just one of many land tenure challenges that contribute to low farm yields, food shortages and high food prices.

“Only 4 percent of households in Uganda were food secure over the last six years,” said Dr. Mugerwa, attributing food shortages and poor diets also to droughts, erratic rains and other impacts of climate change, as well as rapid population growth and urbanization, inconsistent application of Ugandan policies and poor public financing.

Fixing public financing structures, establishing a comprehensive school feeding policy, and high political commitment to land reform are some of the recommendations of the review, as well as fast-tracking pending Parliamentary bills relevant to ending hunger.

Other recommendations include effective early warning systems, the establishment of food reserves, support to irrigation and water-harvesting in dry areas, mass production of staples and conservation of Uganda’s lands and plant and animal species.

The national review was conducted by Makerere University’s Economic Policy Research Centre guided by experts from NPA, seven government ministries, UN and specialist agencies, private sector, civil society organizations, Parliamentary fora and farmers’ organizations.

Titled Toward Zero Hunger: A ***Strategic*** Review of Sustainable Development Goal 2 in Uganda, the review focused on the four targets of SDG 2, which are: end hunger, achieve food security and improved nutrition, and promote sustainable ***agriculture*** by 2030.

**Load-Date:** August 1, 2017

**End of Document**



[***Ireland 2040: Promise to restart projects stalled in downturn***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RNK-M6M1-F0BB-S29H-00000-00&context=1516831)

Irish Examiner

February 17, 2018 Saturday

Copyright 2018 Landmark Digital Media Ltd. All Rights Reserved



**Section:** IRELAND

**Length:** 3496 words

**Body**

Amid much fanfare, the Government launched the 116bn ***plan*** to re-imagine Ireland and prepare for the future following a special Cabinet meeting at the Institute of Technology in Sligo.

Project Ireland 2040 will invest in infrastructure, housing, health and the environment over the next two decades.

It includes a 2bn urban regeneration and development fund, 1bn rural development fund, and 500m climate action fund.

Taoiseach Leo Varadkar described the framework as a significant milestone in our country s development adding that it marks the point at which we put a lost decade behind us and move forward into a new decade of expansion .

We have the ***plan***, we have the money, now we need to move to implement it. This is a ***plan*** for all our citizens the old, the young, and the yet to be born, living in towns, in cities and in the countryside, he noted.

Elective only-hospitals will be built in Cork, Dublin and Galway while Government has also committed to 2,600 extra acute hospital beds under the Project Ireland 2040 framework.

House building will increase to 25,000 homes a year by 2020, rising to up to 35,000 by 2027. Social housing will be provided for 112,000 families in the next decade in a bid to address the housing crisis.

A total of 7.3bn has been earmarked for regional road accessibility investing in national roads across Ireland, plus 4.5bn for regional and local, improving links to the north-west and across the country.

A new runway will be built at Dublin Airport, and there will be investment in Cork and Shannon airports.

A significant number of measures around protecting the environment form part of the ***plan*** with 22bn allocated to deliver on climate action investment.

From 2021, some 45,000 homes will be retrofitted per year to become more energy efficient up from 30,000 per year.

All public buildings will be energy efficient by 2030 while no more diesel-only buses will be bought for public transport services after mid-2019.

However, the Taoiseach said that the ***plan*** on its own won t allow the country to meet the EU s 2030 climate and energy targets: It will get us a good chunk of the way, we estimate that this ***plan*** will get us between 30% and 40% of the way. Other measures are needed too, so you will see some of them already in national mitigation ***plan***, but we will have to look at other things as well, for example, carbon taxation.

The Taoiseach strongly refuted a claim made by Fianna Fáil leader Micheál Martin who said the ***plan*** amounts to an election manifesto: I imagine over the next 10 or 20 years there will be many elections, so this is a long-term ***plan***, not an election manifesto.

He said there had been detailed consultation in the lead-up to the ***planning*** framework which has been worked on for three years: I encourage the political parties to come behind it and to say that they support it and they endorse it and if they can t I encourage them to say in detail what they would do differently.

So if there is a new project they would like to add I would like to know which one would like to remove. If there is a project they wish to accelerate, I would like to know which one they are going to slow down, but I do encourage them in the first instance to support it.

Transport infrastructure: More than 10bn to be spent on road network

Conall Ó Fátharta

The Government hopes to spend 5.7bn on national road schemes and 4.5bn on improving regional and local roads in the next decade.

The details are contained in the national development ***plan*** (NDP), which intends to improve the road linkages between Dublin and most of the other urban areas and regions, particularly in the North-West.

The NDP claims substantial progress has been made, since 2000, in improving road linkages, but it is hoped that every region, and all the major urban areas, particularly those in the North-West, which have been comparatively neglected until recently, are linked to Dublin by a high-quality road network .

Another key priority is the Atlantic Corridor and a high-quality road network linking Cork, Limerick, Galway, and Sligo.

The NDP also provides investment for development of the border region, including: the N2/A5 road serving Meath, Monaghan and Donegal; the N14 Manorcunningham to Lifford; the N52 Ardee Bypass; the N2 Slane Bypass; the N4 Collooney to Castlebaldwin; the N5 Westport to Turlough, and Ballaghdereen to Scramogue; the N56 Dungloe to Glenties and Mountcharles to Inver.

The Government is also committed to participation in the further development of the A5.

The following sections of the national road network should undergo early ***planning*** this year:

N2 Clontibret to the border; N2 Rath roundabout to Kilmoon Cross; N2 Ardee to south of Castleblaney; N3 Virginia bypass; M4 Maynooth to Leixlip; N4 Mullingar to Longford; N4 Carrick on Shannon; M11 from Jn 4 M50 to Kilmacanogue; N11 Oilgate to Rosslare; N13 Ballybofey Stranorlar bypass; N13/N14/N56 Letterkenny bypass and dual carriageway to Manorcunningham; N14 Manorcunningham to Lifford; N17 Knock to Collooney; N21 Newcastle West bypass; N21 Abbeyfeale; N24 Cahir to Limerick Junction; N24 Waterford to Cahir; N25 Waterford to Glenmore; N25 Carrigtwohill to Midleton; N52 Tullamore to Kilbeggan; N3 Clonee to M50; M50 Dublin Port south access.

The following regional and local roads will be improved by the national development ***plan***:

the Sallins bypass; Adamstown and Nangor road improvements; Portlaoise southern distributor road; Shannon Crossing; Laytown to Bettystown link road; Garavogue bridge scheme; Dingle relief road; Athy southern distributor road; Sligo western distributor road; Coonagh to Knockalisheen main contract; Realignment of R498 Nenagh/Thurles road at Latteragh; Killaloe bypass/R494 upgrade and Carrigaline western distributor road.

Routes to Ireland s ports will be upgraded, such as the M11, improving connectivity to Rosslare; the N28 Cork to Ringaskiddy Road, improving access to the Port of Cork; N21/N69 Limerick to Adare to Foynes Road, improving access to Shannon Foynes Port.

A study of high-speed rail between Dublin-Belfast, Dublin-Limerick Junction/Cork and an evaluation of its economic benefits, against improvements to existing-line speeds, will be carried out within the year. A total of 2bn is to be provided to Irish Rail for the expansion of the Dart services while 2.4bn is to be put into the Bus Connects ***programme***.

Climate change: 22bn ***plan*** prioritises greener homes, transport

Caroline O Doherty

Some 22bn worth of investment in technology and other initiatives is aimed at reducing carbon emissions even while population growth increases carbon- ***producing*** activities through extra demand on energy, transport, and industrial output.

Exchequer spending will run to 7.6bn while private investment is expected to account for 14.2bn. A 500m climate action fund is to be set up to kickstart investment, financed by an existing 2c per litre levy on petrol.

Other expenditure will include 4bn in funding to upgrading 40,000 homes per year from 2021 to achieve a minimum B BER. A B rating will also be targeted for all public buildings and a third of commercial premises, and supports are to be put in place to switch 170,000 homes from oil-fired boilers to heat pumps and rooftop solar panels.

Much of what is mentioned is already in the national mitigation ***plan***, such as the aim for 500,000 electric vehicles to be on the road by 2030 with a parallel expansion of the public charging network.

After 2030, all new cars will have to be zero emission and, after 2045, no NCT cert will be issued for non-zero emission cars. A ban on buying diesel buses will come into effect next year.

Major investment in public transport infrastructure such as extra bus routes and expansion of the Luas, Dart and Metrolink costed elsewhere in the ***plan*** is also included.

Power for homes and industry is also in focus with the use of coal at ESB s Moneypoint station to end by 2025 at a potential cost of 1bn. Peat-powered stations are to be phased out by 2030.

Investments in the electricity and gas networks will boost their capacity to serve a bigger population, enable them carry renewable and strengthen connections with France and the UK. Wind energy is a priority but funding will be available to pursue projects in wave, solar, biomass and hydrogen.

District heating schemes will be supported as will pilot projects in a number of rural towns where food and ***agricultural*** waste will be converted to gas for local use. Increased investment in forestry is ***planned***.

Infrastructure is to be strengthened to handle the effects of climate change with improved road drainage, stronger bridges and the raising of some roads. There is also restated commitment to the 940m in flood risk management ***plans*** already set out for 29 riverside and coastal communities.

Housing: New agency could claim land through CPOs

Joe Leogue

Project Ireland 2040 proposes the establishment of an urban regeneration agency that will have the power to claim land through compulsory purchase orders if it feels the sites in question are not being utilised to their full potential .

The establishment of the body - called the National Regeneration and Development Agency forms part of the Government s 2bn urban regeneration fund. A 1bn fund for rural development also forms part of the ***plan***.

More than 500,000 new homes are needed to meet the expected population growth between now and 2040, according to the ***plan***, and it indicates the Government s intention to focus housing development in concentrated areas, at locations that can support sustainable development .

Some 45,000 homes are needed in Dublin, Cork, Limerick, Galway, and Waterford in the next two years, and up to 35,000 homes per year are needed nationwide between now and 2027.

The ***plan*** says the Government will adopt a major new policy emphasis on renewing and developing existing settlements, rather than seeing a continuation of a development sprawl of cities and towns out into the countryside.

The target is for at least 40% of all new housing to be delivered within the existing built-up areas of cities, towns and villages on infill and/or brownfield sites. The rest of our homes will continue to be delivered at the edge of settlements and in rural areas, it says.

It will do this, it claims, by increasing residential density through a range of measures including reductions in vacancy, re-use of existing buildings, infill development schemes, area or site-based regeneration and increased building heights .

It says the existing pattern of development is unsustainable because it forces people to commute greater distances between their places of work and services. The ***plan*** aims to tackle this by concentrating development within existing urban areas, with a particular focus on brownfield development, targeting derelict and vacant sites that may have been developed before but have fallen into disuse .

As part of this, the National Regeneration and Development Agency will work with public bodies to co-ordinate and secure the best use of public lands, investment required within the capital envelopes provided in the National Development ***Plan*** and to drive the renewal of ***strategic*** areas not being utilised to their full potential .

The Government will consider how best to make State lands available to such a body to kick-start its development role and to legislate for enhanced compulsory purchase powers to ensure that the necessary transformation of the places most in need of regeneration can take place more swiftly and effectively, the ***plan*** states.

There will also be greater emphasis on the development of apartments, building inwards and upwards, rather than outwards .

Education: Capital spending to top 1bn a year

Niall Murray

Building and other capital spending on education will exceed 1bn a year by 2021 under the National Development ***Plan***.

Many elements of the education ***plans*** included in the 2018-2027 ***plan*** have previously been announced and some building elements will just barely exceed current delivery rates.

From a 745m allocation this year, the Department of Education s capital budget will jump to over 940m in each of the next two years. It will then rise to 1.06bn and 1.1bn in 2021 and 2022, respectively, bringing total investment over the ***plan*** s first five years to over 4.7bn.

The ***plan*** is to deliver 20,0000 permanent school places a year through the department s school building ***programme***, which will be just 1,000 more per year than were delivered in 2017. They will be a mix of additional places for existing schools and the construction of new schools in areas of significant population growth, with up to 50 large-scale projects a year expected to be completed, around the same as last year.

The focus of school building will move from primary to second-level, where enrolments are not expected to peak until 2025.

A 100m annual allocation by the early 2020s is ***planned*** for maintenance and minor works grants, which should be welcomed by schools given the lack of certainty around these schemes in recent years.

Over the longer 10-year term of the NDP, 2.2bn from taxpayers is being committed in support of infrastructure priorities in universities, institutes of technology and other publicly-funded colleges.

As previously announced by Mr Bruton and Minister of State for Higher Education Mary Mitchell O Connor last October, this will include 11 public-private partnership projects to develop facilities at institutes of technology.

The Irish Universities Association said the extra capital funding opens the way for urgent upgrades to many outdated facilities, and to expand buildings needed to cater for an anticipated growth by 40,000 students up to 2030. But, it said, the investment needs to be matched with a long-overdue overhaul of the operational funding model for higher education to provide human capital, referring to the lack of political progress on the 2016 Cassells report recommending the sector needs an extra 600m of non-capital funding a year by 2020 and 1bn more annually by 2030.

Healthcare: 2,600 extra hospital beds promised

Catherine Shanahan

Almost 11bn has been earmarked for developments in the health service over the next decade including 2,600 extra hospital beds, 4,500 additional public nursing home beds and two new hospitals for Cork.

Money will also be provided for development of the paediatric unit at Cork University Hospital. Phase 1 was completed last year at a cost of 13m. The second phase is estimated to cost 17m. Cork has also been earmarked for a new ambulance base, in addition to Limerick and Galway.

The national development ***plan*** contains no timeline or location is given for the proposed acute hospital in Cork. In relation to the elective hospitals one each for Cork, Galway and Dublin the ***plan*** says they will provide high volume, low complexity procedures on a day and outpatient basis , adjacent to general hospitals.

Several projects, previously announced, are in the ***plan*** including the National Children s Hospital, the New Forensic Mental Health Service Hospital in Dublin, and phase 1 redevelopment of the National Rehabilitation Hospital at Dún Laoghaire. However phase 2 is also in the ***plan*** which would see the refurbishment of the existing hospital building, in addition to the new 120-bed adjacent hospital under construction as part of phase 1.

The national ***programme*** for radiation oncology will receive funding for replacement and additional facilities and equipment at public hospitals in Dublin, Cork and Galway.

Construction is already under way in Cork to provide replacement and additional radiation oncology facilities which will be commissioned in 2020. There are also ***plans*** for the construction of a comprehensive cancer centre .

Fianna Fáil health spokesman Billy Kelleher said the Government can promise the sun, the moon and the stars in terms of extra spending and extra capital projects, but unless patients see actual, real time reductions in terms of their waits for accessing basic yet important treatments, it will be a failure .

The Irish Hospital Consultants Association said it welcomed the commitment to invest, but IHCA president Tom Ryan said it was vitally important that an annual commissioning ***plan*** is agreed to put the additional 2,600 acute beds in place much earlier than the 10-year period proposed.

The Irish Cancer Society said development of a comprehensive cancer centre needs to happen to move Ireland towards world-class cancer services .

Regional balance: Rural allocation done on a 2:1 ratio

Noel Baker

The new NDP points out that 37% of the population currently live in rural areas, which might suggest a 3:1 urban/rural spend. Except it doesn t.

Since the national ***planning*** framework adopts a broader definition of rural including smaller settlements with a population between 1,500 and 10,000 , it means a 2:1 ratio is more appropriate in allocating resources between the two funds .

That will provide some succour to rural communities, as might the money allocated to strengthened rural economies and communities a total budget of 8.8bn that includes 4.5m of exchequer funding on regional and local roads, a 1m rural regeneration and development fund, 800m on ***agriculture*** and 800m in non-exchequer funding on state-owned enterprises such as Coillte. The national broadband ***plan*** is also mentioned estimated cost confidential .

Road projects include the Carrigaline Western Distributor Road with local authorities also pushing for a Carlow Southern Relief Road and Tralee Northern Relief Road. There is capital investment for public transport in rural areas, but the main emphasis is on public service obligation routes and the Local Link ***Programme***. Subject to availability of operational funding new town bus services will be provided in certain large towns, and ultimately to Carlow, Kilkenny, Mullingar, and elsewhere.

Securing regional balance is the fundamental purpose of the NPF , to be underpinned by the 1bn rural regeneration and development fund that includes rural brownfield development, with initial funding of 315m from 2019 to 2022.

Funding sources such as the LEADER ***Programme*** will continue, while the rural regeneration and development fund will integrate some existing schemes.

New Technology and Innovation Poles (TIPs) will also be developed through EI and the Industrial Development Authority (IDA) to drive regional and rural development.

The NDP refers to town-scale pilots of food and ***agricultural*** waste to gas in ***agricultural*** catchments for local gas networks supply and biogas production and the piloting of climate-smart countryside projects to establish the feasibility of the home and farm becoming net exporters of electricity , citing solar, heat-pumps and wind.

Technologies: 9.4bn for business and innovation

Pádraig Hoare

A 500m technology fund for innovation, doubling the size of Cork s Tyndall Institute, and assisting the IDA in showcasing the regions are some of the elements of the national development ***plan*** that will help business, according to the Government.

Business and innovation will be supported with 9.4bn up to 2027, according to the ***plan***.

The ***plan*** pledges:

A 500m disruptive technologies innovation fund;

eHubs for entrepreneurship and start-ups in every county;

Expanding the IDA s regional property ***programme***, to attract investment to regions;

A national design centre;

Seed and venture capital funding to support regional start-ups and growth.

Participation in EU high-performance computing ***programme***.

The 500m disruptive technologies innovation fund is to be distributed by research and education bodies, while the ***plan*** also says that one of Cork s most successful research facilities, the Tyndall Institute, is to be upgraded to double its size.

The document said the fund would allow enterprises to compete directly for funding and would seed a new wave of start-ups.

Membership of the European Organisation for Nuclear Research (Cern) is on the agenda, while the ***plan*** said that adding that a new space technologies ***programme*** will be to the benefit of firms in the regions .

Dublin Business Innovation Centre (BIC) chief executive Michael Culligan said 500m innovation fund could be transformative for start-ups.

Every year, hundreds of promising Irish start-ups and scale-ups approach us looking for investment, but there has been a significant drop in the earlier stage seed venture funding available in the last couple of years for these innovative opportunities, leaving some truly original and progressive start-ups struggling to get the investment needed to achieve their ambitious ***plans***, he said.

The IDA regional assistance comes as rural towns around the country say they have been left out when it comes to foreign direct investment in favour of cities like Dublin and Cork.

The ***plan*** was criticised for simply reiterating projects that have already been committed to, such as the 300m Brexit loan scheme for businesses announced in the budget.

**Load-Date:** February 16, 2018

**End of Document**



[***Register of Commission documents: MISSION REPORT following the Committee mission to Slovenia, from 3 to 5 April 2018 Document date: 2018-04-11 REGI\_CR(2018)620838 Mission reports***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S5N-W8W1-JDG9-Y4JN-00000-00&context=1516831)

Impact News Service

April 23, 2018 Monday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 2343 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

CR\1150565EN.docx PE620.838v01-00 EN United in diversity EN European Parliament 2014-2019 Committee on Regional Development 11.4.2018 MISSION REPORT following the Committee mission to Slovenia, from 3 to 5 April 2018 Committee on Regional Development Members of the mission: Lambert van Nistelrooij (PPE) (Leader of the mission) Ivan Jakovčić (ALDE) Ivana Maletić (PPE) Fernando Ruas (PPE) Julie Ward (S&D) Maria Gabriela Zoană (S&D) Franc Bogovič (PPE) (Accompanying Member) Milan Zver (PPE) (Accompanying Member) PE620.838v01-00 2/6 CR\1150565EN.docx EN Introduction The mission of the Committee on Regional Development of the European Parliament to Slovenia took place from 3 to 5 April 2018. The purpose of the mission was to gain a general overview of the operation of cohesion policy in a relatively disadvantaged region of the EU as a way of preparing for the new, post-2020 cohesion policy. A full ***programme*** included meetings with (i) the Minister for Development, ***Strategic*** Projects and Cohesion, and with the Minister for Economic Development and Technology; (ii) the Committee of Economy and the Committee on EU Affairs of the National Assembly; (iii) the Mayors of Ljubljana, the Posavje region, and Podčetrtek, and representatives of local and regional government associations; as well as (iv) visits to projects supported by the European Structural and Investment Funds.

Summary account of meetings Tuesday, 3 April The first meeting in the mission ***programme*** was with the Mayor of the City of Ljubljana, Mr Zoran Janković. In his opening remarks, the mayor welcomed the delegation of MEPs and introduced his closest collaborators. He paid particular attention to Ljubljana as European Green Capital in 2016. This had affected every aspect of the city’s administration: for example, the city employed over 12,000 staff, and each one of them had planted a tree. The mayor also underlined the importance of further development of the EU urban agenda, especially as regards greater budgetary autonomy of cities. Unnecessarily bureaucratic procedures and “gold plating” had led to only a limited implementation of integrated territorial investment and smart specialisation initiatives. The mission spent most of the afternoon visiting the Ljubljana Regional Waste Management Centre (RCERO). This is a flagship recycling plant: the biggest environmental project in Slovenia supported by the Cohesion Fund and the most modern facility for waste treatment in Europe, it processes waste from a third of the country (700,000 citizens). RCERO comprises three facilities for mechanical-biological waste treatment, where two types of waste are processed: it was completed in 2015. The plant can receive annually up to 150,000 tonnes of mixed municipal waste and over 20,000 tonnes of biodegradable waste. From this waste, it ***produces*** 30,000 tonnes of raw, recyclable materials, 60,000 tonnes of fuel, and 7,000 tonnes of compost. The total cost of the project was EUR 155 million. In the 2017-2013 ***programme*** period, the Cohesion Fund contributed half of this sum - EUR 77.5 million - through the environment and infrastructure operational ***programme*** (the remainder was financed by central government, local government, and the environment waste disposal charge). The director of the company (SNAGA) which runs the plant, Mr Janko Kramžar, explained that it is only part of a whole chain of waste management, stretching from collection, through green area maintenance to recycling. Slovenia has much higher levels of recycling of household waste than the EU average and much lower levels of disposal in landfill. The key elements in Ljubljana’s strategy, he argued, are door-to-door collection of sorted waste, and CR\1150565EN.docx 3/6 PE620.838v01-00 EN an effective (i.e targeted) communication strategy. The city has set a number of “zero waste goals” for 2025 and was committed to developing a circular economy. The first day of the mission concluded with a working dinner at Ljubljana castle with representatives of local government - the President of the Association of Municipalities of Slovenia, Mr Robert Smrdelj, and the President of the Association of Municipalities and Towns of Slovenia, Mr Branko Ledinek. Slovenia does not have a layer of regional government between the national government and the 212 municipalities which are responsible for local land and development ***plans*** as well as a municipal budget. The mayors of the municipalities, who are directly-elected for four-year terms, are thus important political actors: the municipality’s deliberative and decision-making body, the municipal council, is made up of members who are also elected for four-year terms. Wednesday, 4 April The morning of the second day was given over to two political meetings. First, the delegation met Ms Alenka Smerkolj, Minister without portfolio responsible for Development, ***Strategic*** Projects and Cohesion, at the Government Office for Development and European Cohesion Policy. Discussion centred on the recently-adopted non-paper of the Slovenian government on the future of cohesion policy after 2020. The key concept in the paper is that of “structural transformation” of economies, by boosting and speeding up the deployment of new technologies, facilitating social change and supporting the development of associated infrastructure. This entails combining simultaneously innovation, infrastructure development, skills acquisition and improvement and improving the quality of institutions. The minister emphasised that the Slovenian government was determined to prevent Slovenia becoming “collateral damage” in a process of budgetary changes arising from Brexit. While the western half of the country has now reached GDP levels about equal to the EU average, the eastern half of Slovenia is a lagging region. There should be no sudden cut-off of cohesion funding (in the 2014-2020 ***programming*** period, Slovenia has been allocated EUR 3.87 billion from the ESI Funds, which will be supplemented by EUR 1.02 billion in the form of national contributions), and Slovenia is keen to avoid falling into the “middle income trap”. Stability and continuity are essential, as is simplification. The delegation then moved to the National Assembly, the directly-elected chamber of the national parliament, where it held a joint meeting with members of the Committee of Economy (chair: Ms Andreja Potočnik) and the Committee on EU Affairs (chair: Mr Izidor Kamal Shaker). Discussion covered a wide range of aspects of cohesion policy: the overall position of cohesion policy in the new MFF; general regret at Brexit and the belief shared by the Slovenian and other EU speakers that this was a lose-lose situation; the communication of the successes of cohesion policy and the importance of this in underpinning support for the EU; macro-regional strategies; the situation in the Western Balkans and prospects for enlargement; the situation of marginalised communities. The chair of the EU Affairs committee said that his committee’s position is to support an increase in Slovenia’s contribution to the EU budget, which he believed to be justified since Slovenia is so prosperous. The first two half days of the delegation were focussed on Ljubljana, and meetings with central government actors in the capital in the western half of the country: the second pair of half days were focussed on meetings with municipal government actors and the eastern half of PE620.838v01-00 4/6 CR\1150565EN.docx EN Slovenia. The first meeting of the afternoon was a working lunch in the Rajhenburg castle, Brestanica, with mayors from the Posavje region and a discussion about major EU co-funded projects. The six mayors present represented municipalities with a combined population of some 70,000. They were Mr Ivan Molan, mayor of Brežice; Mr Miran Stanko, mayor of Krško; Mr Ladko Petretič, mayor of Konstanjevica na Krki; Mr Srečko Ocvirk, mayor of Sevnica; Mr Tomaž Režun, mayor of Radeče; and Mr Franjo Debelak, mayor of Bistrica ob Sotli. The keynote of the Sava river area economy is energy production. The region contains the only nuclear power plant in Slovenia (jointly owned by the Slovenian and Croatian governments) as well as five hydro-electric plants ***producing*** in total about 7.5% of the electricity consumed nationally. Rajhenburg castle dates from the mid-12th century, as a strongpoint at the confluence of the Brestanica and Sava rivers. It was, successively, an ecclesiastical possession, the property of a powerful local landowner, a monastery, after 1941 a deportation centre during the German occupation, and a women’s prison. It is now the property of the municipality of Krško, and managed by a local cultural institution. The renovation of the castle building took place between 2010 and 2012, and was financed (to the tune of about EUR 10 million) under the operational ***programme*** for strengthening regional development potentials 2017-13. In the lunch-time discussion, a number of aspects of cohesion policy were touched upon: the continuing need for infrastructural investment; the growth of disparities within regions; a perceived over-emphasis on “soft” aspects of cohesion policy (knowledge, skills), which was seen as favouring capital cities; the heavy administrative burden of the current policy and the pressing need for simplification; the problems arising from unregulated migration (the area is a Schengen border); and demographic change and the importance of maintaining job opportunities in rural areas. The second element in the ***programme*** for the afternoon was a visit to Olimje village (Podčetrtek municipality). The redevelopment of this village (population: 3,500) was largely funded through ESI Funds, and includes the restoration of a monastery church, aid to build a sports centre of international quality, and support for a hotel/spa complex (Sotelia). Taken together, these add up to a “365-tourism” site: international sports competitions and a steady stream of overnight visitors to the hotel/spa complex provide a source of income for the village throughout the year. The success of the development rests on its location (within a few hours’ drive of Munich, Vienna, Zagreb and Budapest), the luxury facilities it offers, and an unspoilt natural environment. In this case, concentrating on tourism was the smart specialisation which EU funds supported. The day concluded with a working dinner with the mayor of Podčetrtek municipality, Mr Peter Misja, and the Minister of Economic development and Technology, and former manager of the Terme Olimia Spa, Mr Zdravko Počivalšek. Thursday 5 April The delegation transferred by bus to the third geographical site of the mission - the municipality of Slovenska Bistrica. The final half day of the ***programme*** was given over to a conference meeting in Slovenska CR\1150565EN.docx 5/6 PE620.838v01-00 EN Bistrica castle with representatives of the Association of Muncipalities of Slovenia, the Association of Municipalities and Towns of Slovenia, Slovenian members of the Committee of the Regions, and members of the Western- and Eastern- Solovenian Cohesion Regions. The conference took the form of a panel discussion, with the following speakers: - Dr. Ivan Žagar, mayor of Slovenska Bistrica and chairman of the Development Council of the cohesion region Eastern Slovenia (also a member of the Committee of the Regions). - Mr Alojz Kovšca, President of the National Council. - Mr Andrej Engelman, deputy director of the Government Office for Development and European Cohesion Policy. - Ms. Liliana Madjar, President of the Western Cohesion Region of Slovenia. - Mr Lambert van Nistelrooij, leader of the EP delegation. Each of the panellists outlined his view of the strengths and weaknesses of the current cohesion policy and the how the challenges that the policy might face under the new MFF might be best addressed. The initial round of presentations was followed by comments from the floor and from the other members of the EP delegation. All of the panellists noted that cohesion policy in Slovenia is a success story - there is a high level of absorption of EU funds - but also that significant regional disparities remain. In a wide-ranging discussion, many points familiar from routine committee discussions were reiterated and underlined by the Slovenian speakers: infrastructure investment remains important, alongside investment in R&D and in soft areas, such as skills; alongside a growing role for financial instruments, grants will remain important; simplification of the future policy is essential; regional coordination of projects and development is important; evolution rather than revolution is the way forward (with adequate transitional periods and a stable political and institutional environment); national, regional and local actors must all be involved in decision-making, through the partnership principle. Less familiar, perhaps, was the emphasis that a number of speakers put on the need for greater decentralisation of governmental and economic activity; rural development and a possible new partnership between the ESI Funds and EU support for ***agriculture***; and the role of the ESF in promoting social and human cohesion, for example in addressing the challenges posed by an ageing population. Conclusions The mission provided Members with a good overview of the achievements of cohesion funding in Slovenia. It also highlighted the general problem of unbalanced development, exemplified by the growing gaps in wealth and opportunities between capital cities and less developed areas. The strengths and weaknesses of the current generation of cohesion policy were underlined, and Members heard thought-provoking suggestions about how the policy should be developed in future. Perhaps the key message from the mission with which PE620.838v01-00 6/6 CR\1150565EN.docx EN Members were left was that the goal of structural transformation must be accompanied by balanced development.

**Load-Date:** April 24, 2018

**End of Document**



[***Secretary of State Rex Tillerson CONFIRMS Kim has tested North Korea's first ICBM that is capable of reaching Alaska as the US requests closed-door meeting with the UN security council***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NY3-BD91-JCJY-G3NF-00000-00&context=1516831)

MailOnline

July 4, 2017 Tuesday 8:28 PM GMT

Copyright 2017 Associated Newspapers Ltd. All Rights Reserved



**Section:** NEWS; Version:5

**Length:** 4513 words

**Byline:** KELLY MCLAUGHLIN FOR DAILYMAIL.COM

**Body**

* The 'landmark' test of a Hwasong-14 missile was overseen by leader Kim Jong-Un

1. It was fired from a site in the  North Phyongan province into the Sea of Japan
2. It is believed to have reached an altitude of 1741 miles and flew 580 miles
3. The North has long sought to build nuclear missiles capable of reaching the US
4. Weapons analysts say the missile has the capability to reach as far as Alaska
5. Secretary of State Rex Tillerson confirmed the test and the U.S. has requested a closed-door meeting of the UN Security Council to discuss the launch

U.S. Secretary of State Rex Tillerson has confirmed  North Korea  successfully tested an intercontinental ballistic missile (ICBM) capable of hitting Alaska.

And Tillerson says that's a new escalation of the threat posed to the United States and the world by North Korea.

Tillerson says the U.S. will bring North Korea's action before the United Nations Security Council.

His statement provided the first confirmation of the U.S. conclusion that the missile was an ICBM.

The U.S. military's initial assessment was that North Korea fired an intermediate-range missile.

The U.S. has requested a closed-door meeting of the United Nations Security Council on the latest launch, a spokesman for the US mission to the United Nations says.

The spokesman said the meeting of the 15-member council was likely to be scheduled for Wednesday.

Scroll down for video

The launch, which came as the United States prepared to mark its Independence Day, triggered a Twitter outburst from President Donald Trump who urged China to 'put a heavy move' on North Korea to 'end this nonsense once and for all'.

North Korea has long sought to build a rocket capable of delivering an atomic warhead to the continental United States - something that Trump has vowed 'won't happen', and launch marks a new phase in the country's decades-long weapons ***program***.

On Tuesday, the US, Japan, and South Korea said intelligence suggested the missile flew for about 40 minutes and reached an altitude of 1,500 miles, which would be longer and higher than any similar North Korean test previously reported. It also covered a distance of about 580 miles.

In the wake of the test, David Wright, of the Union of Concerned Scientists, wrote on the organisation's allthingsnuclear blog that the available figures implied the missile 'could reach a maximum range of roughly 6,700km on a standard trajectory'.

'That range would not be enough to reach the lower 48 states or the large islands of Hawaii, but would allow it to reach all of Alaska.'

The missile launch prompted control specialist Jeffrey Lewis to respond on Twitter: 'That's it. It's an ICBM. An ICBM that can hit Anchorage not San Francisco, but still.'

The launch seems designed to send a political warning to Washington and its chief Asian allies, Seoul and Tokyo, even as it allows North Korean scientists a chance to perfect their still-incomplete nuclear missile ***program***.

When it announced the missile test earlier, North Korean officials called the launch, which leader Kim Jong-un supervised, a 'glistening miracle'.

The 'landmark' test of a Hwasong-14 missile was overseen by Kim, an emotional female announcer said on state Korean Central Television.

How far would missile have to travel from Pyongyang to reach the US?

US Naval Base in Guam: 2,114 miles

Hawaii: 4,727 miles

San Francisco:  5,588 miles

Los Angeles: 5,935 miles

New York: 6,783 miles

Washington, DC: 6,857 miles

'The test-fire was conducted at the highest angle and did not have any negative impact on the safety of neighboring countries,' announcer Ri Chun-Hee, who previously told her loyal viewers of the deaths of the country's founder Kim Il-Sung and his son Kim Jong-Il, said.

'As the dignified nuclear power who possesses the strongest intercontinental ballistic rocket which is capable of hitting any part of the world along with the nuclear weapons, the Democratic People's Republic of Korea (DPRK) will fundamentally terminate the US nuclear war threats and blackmail and credibly protect the peace and stability of the Korean Peninsula and the region,' she added.

'Kim Jong Un, Supreme Leader of our party, state and the army, personally observed the process of the test-launch in field and solemnly declared before the world its shining success,' the Korean Central News Agency (KCNA) said in an accompanying article.

NORTH KOREA CALLS ICBM TEST A 'GLISTENING MIRACLE'

'Our great leader Kim Jong Un sent a personally handwritten letter 2017, July 3rd, ordering the launch of an intercontinental ballistic rocket (Hwasong 14).

'The launch, that was personally supervised by the great leader KJU himself, will now be followed by the National Institute of Science's report.

'National Science Institute's Report: Intercontinental Ballistic Rocket Hwasong 14 was successful.

'Our dear leader KJU's ***strategic*** order was followed by a launch of an ICBM, and this was successfully processed.

'The newly developed ICBM Hwasong-14 was launched, and this took place on July 4, 2017 at 9am, and flew for 39 minutes.

'It flew from a northwestern city, and flew precisely following the predicted trajectory. It also reached precisely the targeted point in Chosun (Korean) air.

'Our intercontinental ballistic rocket did not at all bring negative impacts to any nearby country.

'Our intercontinental ballistic rocket reached a maximum altitude of 2,802 km, and flew for 933 kilometres.

'Our dear leader KJU was there to witness the glistening miracle.'

'The success of the last stage of becoming a nuclear power state is developing an intercontinental ballistic missile. Hwason 14 shows the unwithering power of our state, our strong independence and defense in the world and will be marked as a significant mark in our history.

'North Korea, as a nuclear state capable of reaching any country in the world with our intercontinental ballistic rocket, will be able to root out the U.S's nuclear ***program*** once and for all, and bring peace and secure safety to the Chosun (Korean) peninsula.'

However, Russian experts said they believe the missile was medium range.

'The missile reached an altitude of 535 kilometres (330 miles) and flew 510 kilometres before falling into the central part of the Sea of Japan,' the defense ministry said in a statement to Russian news agencies.

'The parametric flight data of the ballistic object corresponds to the tactical and technical characteristics of a medium-range ballistic missile,' it said, adding that it did 'not present' any danger to Russian territory.

The North Korean test may be the North's most successful yet; a weapons analyst says the missile could be powerful enough to reach Alaska.

The 'unidentified ballistic missile' was fired from a site in North Phyongan province, the South's Joint Chiefs of Staff said in a statement, and came down in the East Sea, the Korean name for the Sea of Japan.

US Pacific Command confirmed the test and said it was a land-based, intermediate range missile that flew for 37 minutes.

It was estimated to have reached an altitude that 'greatly exceeded' 1553 miles (2,500 kilometres), Japan said.

The device came down in the Sea of Japan within the country's exclusive economic zone, Tokyo's defense ministry said in a statement, waters extending 200 nautical miles from its coast.

Prime Minister Shinzo Abe told reporters: 'This launch clearly shows that the threat has grown.'

Abe, who talked by phone with Mr Trump on Monday, said the two leaders ***plan*** to seek further co-operation from world leaders when they attend the G20 summit in Germany.

INTERCONTINENTAL BALLISTIC MISSILE PRODUCTION IN NORTH KOREA

An intercontinental ballistic missile (ICBM) is a guided ballistic missile with a minimum range of 3,400 miles (5,500 kilometres), meaning it can go further than any other missile.

North Korea has only tested medium-range or lower ballistic missiles before, meaning they were capable of reaching a maximum 3,400 miles (5,500 kilometres).

The last rocket Kim tested before this latest development came in June, when a medium-range missile flew 435 miles (700 kilometres) before landing in the Sea of Japan.

ICBM missiles were first developed during World War II, and countries around the world have now worked to create their own missiles and defence systems against them.

ICBM launches have three distinct phases of flight.

During the boost phase, a rocket launches the warhead at high speeds above the atmosphere, where it continues in free-fall through the vacuum of space.

The midcourse phase begins with the rocket separating from the warhead, which continues unguided and unpowered, hundreds of miles above the Earth.

The reentry, or terminal, phase sees the warhead descend at high speeds back through the Earth's atmosphere toward the ground.

The missiles are primarily designed for nuclear weapons delivery, though they can also be used to deliver conventional, chemical or biological weapons.

Pyongyang is subject to multiple sets of United Nations sanctions over its atomic and missile ***programs***, which it says it needs to protect itself against a possible invasion.

It regularly issues bloodcurdling threats against its 'imperialist enemy' Washington, and has long sought a rocket capable of delivering a warhead to the continental United States.

The progress has accelerated especially after young leader Kim Jong-Un took power following the death of his father, longtime ruler Kim Jong-Il, in 2011.

Pyongyang has staged five atomic tests - including two last year - with the regime stepping up efforts to ***produce*** a nuclear warhead small enough to fit into a missile.

The latest launch potentially forces a recalculation of the threat it poses.

Just last week South Korean President Moon and Trump met for the first time and vowed to oppose North Korea's development of atomic weapons.

In response to the latest launch but before the announcement, Trump asked on Twitter: 'Does this guy have anything better to do with his life?'

He added: 'Hard to believe that South Korea and Japan will put up with this much longer. Perhaps China will put a heavy move on North Korea and end this nonsense once and for all!'

British foreign minister Boris Johnson said on Tuesday that the international community must work harder on North Korea, describing Pyongyang's latest missile test as an example of the grave danger it poses to neighboring countries.

'The international community must redouble its efforts to impose a price on this regime, which strains every nerve and sinew to build nuclear weapons and launch illegal missiles, even as the people of North Korea endure starvation and poverty,' Johnson said in an emailed statement.

South Korean President Moon Jae-in said that the North's actions could have serious consequences.

'If North Korea crossed the red line without responding to the peaceful approach to the denuclearization on the Korean peninsula which agreed by the US and South Korean leader, we are not sure of the consequences,' Moon said in a statement, in which he also called on China to put more pressure on Pyongyang.

South Korea's Joint Chiefs of Staff (JCS) said the launch was a 'direct challenge' to international peace, though it did not refer to the missile as an ICBM.

'...the US and the South Korean intelligence authorities are conducting the detailed analysis on whether [the launched missile] has the capability of so-called intercontinental ballistic missile as the North claimed,' the statement said.

'Our military strongly condemns Kim Jong Un regime's vain delusions and reckless provocations, and warn [the North] to immediately cease the act of creating tension and anxiety on the Korean Peninsula and the international community,' it added.

'If North Korea ignores our warnings and continues the provocations obstinately, we clearly warn that Kim Jong Un regime will be on the verge of destruction (or ruin).'

Leaders in China have also condemned Tuesday's test launch in North Korea.

Foreign Ministry spokesman Geng Shuang told reporters Tuesday that his country was collecting information about North Korea's latest launch, conducted earlier in the day.

He said that China urges 'the North Korean side to stop taking actions that violate Security Council resolutions and to create the necessary conditions for the resumption of talks.'

The spokesman also defended China's efforts to try to resolve the North Korean nuclear issue. He said that China's role is indispensable, and that its contribution in that regard is recognized.

'We hope all relevant parties can exercise restraint, avoid taking actions that may escalate tensions, and make efforts to bring the issue back to peaceful settlement through dialogue and consultation,' Geng said.

China's UN ambassador, Liu Jieyi, warned on Monday that further escalation of already high tensions with North Korea risks getting out of control 'and the consequences would be disastrous'.

On a trip to Moscow, Chinese President Xi Jinping and Russian counterpart Vladimir Putin agreed on Monday to 'jointly push for a proper settlement of the (Korean) peninsula issue via dialogue and negotiation', according to the official Xinhua news agency.

Meanwhile, North Korean citizens in the capital are praising their country's launch of what it called its first intercontinental ballistic missile.

Soon after the authoritarian government announced Tuesday that it had fired the missile that morning, a 38-year-old Pyongyang man named Ri Song Gil said his country 'can attack anywhere in the world'.

He added, 'Now, the time when the US could threaten the world with nuclear weapons has passed away'.

Twenty-seven-year-old Kim Hye Ok calls the launch 'extremely delightful news' and says North Korea 'will march forward along our own way' despite international sanctions.

Still pictures of the launch showed a missile lifting off the ground, spewing a flame and clouds against a backdrop of green hills.

Other photos showed Kim, in a striped Mao suit, shading his eyes with a raised hand and looking up at the sky, or sitting behind a desk looking through a pair of binoculars.

Hours after the North launched a ballistic missile that flew more than 900 kilometres on Tuesday, the North's state media said it would make an 'important announcement'.

'Important announcements' were made twice last year, one in January when the North claimed it had successfully tested a hydrogen bomb and the other in February when it said it had successfully put a satellite into orbit.

Lee Illwoo, a Seoul-based military commentator, said the missile traveled for a far longer period of time than if it would have been fired at a normal angle.

A North Korean scud-type missile, with a range of 800-900 kilometres, would land in its target site within ten minutes if fired at a standard angle of 45 degrees.

Lee said it's likely that North Korea fired either Hwasong-12 missile or a solid-fuel Pukguksong-2, both of which were tested in May.

On May 14, North Korea launched the Hwasong-12 missile, which its state media later said flew as high as 1,310 miles (2,111 kilometres) and landed in a targeted area in the ocean about 490 miles (787 kilometres) from the launch site.

On May 21, North Korea also tested the Pukguksong-2, which traveled about 310 miles (500 kilometres).

North Korea has a reliable arsenal of shorter-range missiles, but is still trying to perfect its longer-range missiles.

Some analysts believe North Korea has the technology to arm its short-range missiles with nuclear warheads, but it's unclear if it has mastered the technology needed to build an atomic bomb that can fit on a long-range missile.

JAPAN CONDUCTS EVACUATION DRILLS IN PREPARATION FOR MISSILE STRIKES

As North Korea increases its missile launches, cities in Japan are conducting evacuation drills based on the scenario that a strike is imminent.

Drills have been been conducted in nine of Japan's 47 prefectures, and there are more scheduled in at least 11 prefectures.

The first drill this month will have people evacuate to an underground mall in Takaoka, Toyama Prefecture.

Several missiles tested by North Korea have landed in the Sea of Japan, including an economic zone of the Oga Peninsula, Akita PRefecture.

The Akita prefecture conducted an evacuation drill in March.

Since then, other local governments facing the Sea of Japan and in the Kyushu region, which is close to North Korea, have conducted their own drills.

In the event of a missile falling into the nation, the government will alert the public via the J-Alert early warning system.

The government will call on people to evacuate to well-built buildings or underground spaces. If there are no such areas nearby, people will evacuate into clay pipes and the tunnels of ***agricultural*** water canals.

The evacuation is different from that which would occur in the event of an earthquake, according to Japan News.

A Cabinet Secretariat official in charge of crisis management said, 'We want people to know they should evacuate from buildings to outdoor spaces in an earthquake, but that they should evacuate to underground malls, buildings or concealed places if a missile approaches'.

The isolated, impoverished country has made great progress in its missile capabilities since the ascension to power of Kim, who has overseen three nuclear tests and multiple rocket launches.

In response to the launch but before the announcement, Trump asked on Twitter: 'Does this guy have anything better to do with his life?'

He added: 'Hard to believe that South Korea and Japan will put up with this much longer. Perhaps China will put a heavy move on North Korea and end this nonsense once and for all!'

The United Nations has imposed multiple sets of sanctions on Pyongyang over its weapons ***programs***, which retorts that it needs nuclear arms to defend itself against the threat of invasion.

Just last week South Korean President Moon and Trump met for the first time and vowed to oppose North Korea's development of atomic weapons.

Washington, South Korea's security guarantor, has more than 28,000 troops in the country to defend it from its communist neighbor, and fears of conflict reached a peak earlier this year as the Trump administration suggested military action was an option under consideration.

The Korean Peninsula has been divided between the American-backed South and the authoritarian North since the 1950-53 Korean War.

Worries have increased as the North's leader Kim pushes to expand his nuclear arsenal and develop ballistic missiles that can carry nuclear warheads.

Russia and China have agreed a joint position on North Korea designed to defuse tensions around its missile ***program*** and both want Washington to halt deployment of a missile shield in South Korea, the Russian Foreign Ministry said on Tuesday.

Moscow and Beijing had agreed on the need for a simultaneous freezing of North Korea's missile and nuclear ***program*** and large-scale military exercises by the United States and South Korea, the ministry said in a statement.

The statement was released after President Vladimir Putin held talks with visiting Chinese President Xi Jinping in the Kremlin.

The same statement said Moscow and Beijing wanted the United States to immediately halt its deployment of the THAAD anti-missile system to South Korea, a move Washington says is necessitated by the North Korean missile threat.

NORTH KOREA'S MISSILE DEVELOPMENT: A TIMELINE

North Korea on Tuesday said it had tested an intercontinental ballistic missile, as its decades-long weapons ***program*** reached a grave new phase.

Here are key dates in Pyongyang's quest to develop a missile capable of hitting the United States:

Late 1970s: Starts working on a version of the Soviet Scud-B (range 300 kilometres or 186 miles). Test-fired in 1984

1987-92: Begins developing variant of Scud-C (500 km), Rodong-1 (1,300 km), Taepodong-1 (2,500 km), Musudan-1 (3,000 km) and Taepodong-2 (6,700 km)

Aug 1998: Test-fires Taepodong-1 over Japan as part of failed satellite launch

Sept 1999: Declares moratorium on long-range missile tests amid improving ties with US

July 12, 2000: Fifth round of US-North Korean missile talks ends without agreement after North demands $1 billion a year in return for halting missile exports

March 3, 2005: North ends moratorium on long-range missile testing, blames Bush administration's 'hostile' policy

July 5, 2006: North test-fires seven missiles, including a long-range Taepodong-2 which explodes after 40 seconds

Oct 9, 2006: North conducts underground nuclear test, its first

April 5, 2009: North Korea launches long-range rocket which flies over Japan and lands in the Pacific, in what it says is an attempt to put a satellite into orbit. The United States, Japan and South Korea see it as a disguised test of a Taepodong-2

May 25, 2009: North conducts its second underground nuclear test, several times more powerful than the first

April 13, 2012: North launches what it has said is a long-range rocket to put a satellite into orbit, but it disintegrates soon after blast-off

December 12, 2012: North launches a multi-stage rocket and successfully places an Earth observational satellite in orbit

February 12, 2013: Conducts its third underground nuclear test

January 6, 2016: North conducts its fourth underground nuclear test, which it says was of a hydrogen bomb -- a claim doubted by most experts

March 9, 2016: Kim Jong-Un claims the North has successfully miniaturised a thermo-nuclear warhead

April 23, 2016: North test-fires a submarine-launched ballistic missile

July 8, 2016: US and South Korea announce ***plans*** to deploy an advanced missile defence system -- THAAD (Terminal High Altitude Area Defense)

August 3, 2016: North Korea fires a ballistic missile directly into Japan's maritime economic zone for the first time

September 9, 2016: Fifth nuclear test

March 6, 2017: North fires four ballistic missiles in what it says is an exercise to hit US bases in Japan

March 7, 2017: US begins deploying THAAD missile defence system in South Korea

May 14, 2017: North fires a ballistic missile which flies 700 kilometres before landing in the Sea of Japan. Analysts say it has an imputed range of 4,500 kilometres and brings Guam within reach

July 4, 2017: North Korea test-fires a ballistic missile which flies 930 kilometres before landing in the Sea of Japan. Analysts say it has an imputed range of 6,700 kilometres and brings Alaska within reach. Pyongyang later says it was a 'landmark' test of a Hwasong-14 intercontinental ballistic missile (ICBM).

The statement said Washington was using North Korea as a pretext to expand its military infrastructure in Asia and risked upsetting the ***strategic*** balance of power in the area.

'The deployment... of THAAD will cause serious harm to the ***strategic*** security interests of regional states, including Russia and China,' the statement said.

'Russia and China oppose the deployment of such systems and call on the relevant countries to immediately halt and cancel the process of deployment.'

Tuesday's launch is the first by the North since a June 8 test of a new type of cruise missile that Pyongyang says is capable of striking United States and South Korean warships 'at will.'

Since taking office on May 10, Moon has tried to improve strained ties with North Korea, but the North has continued its missile tests. Pyongyang says it needs nuclear weapons and powerful missiles to cope with what it calls rising US military threats.

There has also been anger in the United States over the death of Otto Warmbier, an American student detained in North Korea for around 18 months before he was returned home in a coma in June.

Trump has been pinning his hopes on China - North Korea's main diplomatic ally - to bring pressure to bear on Pyongyang.

Last week he declared that Beijing's efforts had failed, but returned to the idea on Twitter following the launch: 'Perhaps China will put a heavy move on North Korea and end this nonsense once and for all!'

But a former foreign policy adviser to Hillary Clinton warned that his comments risked undermining the credibility of both the US deterrent, and its assurances to its allies in Seoul and Tokyo.

She added: 'Picking a twitter fight with a nuclear-armed dictator is not wise - this is not reality TV anymore.'

TV ANNOUNCER WHO PREVIOUSLY TOLD VIEWERS OF KIM JONG-IL'S DEATH REPORTS SUCCESSFUL ICBM LAUNCH

Pyongyang deployed one of its most symbolic media assets to declare a key moment in North Korea's missile development - a female TV announcer in her 70s.

Ri Chun-Hee has previously told her loyal viewers of the deaths of the country's founder Kim Il-Sung and his son Kim Jong-Il, and several of the nuclear tests that have seen it subjected to multiple rounds of United Nations sanctions.

Nowadays her appearances are rare, but state broadcaster Korean Central Television called her back into the studio for Tuesday's news.

In front of a backdrop of Mt Paektu, the dormant volcano on the Chinese border that is the fount of Korean nationhood, she said: 'North Korean scientists... successfully conducted the test-firing of a newly developed intercontinental ballistic missile' (ICBM).

In a pink and black traditional dress, known as hanbok in the South and choson chogori in the North, she almost bounced up and down with excitement.

The Democratic People's Republic of Korea - the North's official name - was 'a strong nuclear state which, in addition to its atomic weapons, has very powerful ICBMs that can strike any place in the world in its possession', she said.

It would 'proudly protect peace and security on the Korean peninsula as well as in the region', she said.

Leader Kim Jong-Un personally supervised the launch, she said, and the broadcaster showed pictures of an elated Kim pumping clenched fists and applauding with subordinates.

It also displayed his hand-written order to carry out the test, dated Monday.

'The Party Centre approves an ICBM test-fire,' it read. 'The test is to be carried out at 9am on July 4.'

It appears to have been launched exactly on schedule.

Still pictures showed a missile lifting off the ground, spewing a flame and clouds against a backdrop of green hills.

Other photos showed Kim, in a striped Mao suit, shading his eyes with a raised hand and looking up at the sky, or sitting behind a desk looking through a pair of binoculars.

Hours after the North launched a ballistic missile that flew more than 900 kilometres on Tuesday, the North's state media said it would make an 'important announcement'.

'Important announcements' were made twice last year, one in January when the North claimed it had successfully tested a hydrogen bomb and the other in February when it said it had successfully put a satellite into orbit.

Ahead of the broadcast, the television station showed old footage of a rocket lifting off and missiles rolling through Pyongyang at a military parade in April, playing songs praising Kim's leadership before Ri appeared.

**Load-Date:** July 5, 2017

**End of Document**



[***How North Korea could be using algae to fight sanctions***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PT3-9GD1-F021-61KF-00000-00&context=1516831)

telegraph.co.uk

October 25, 2017 Wednesday 3:30 AM GMT

Copyright 2017 Telegraph Media Group Limited All Rights Reserved



**Section:** NEWS; Version:1

**Length:** 342 words

**Byline:** By Danielle Demetriou

**Body**

It may not be a nation famed for its eco-credentials. But North Korea is reportedly developing large quantities of algae in a bid to counter the impact of sanctions .

Pyongyang's algae industry is currently being cultivated as a "***strategic*** resource" ​which will help mitigate the negative effect of sanctions, according to analysts from the website 38 North .

North Korea has operated research facilities, including open ponds and aquaculture systems, for the past nine years, although their activities have reportedly accelerated recently.

"A new algal research facility just outside of Wonsan, North Korea, suggests growing interest in developing algae as a ***strategic*** resource to diversify sources of energy supplies and improve ***agricultural*** production, which could over time reduce the country's vulnerability to sanctions," reports 38 North.

North Korea is increasingly under pressure due to a growing list of sanctions in response to its nuclear and missile development ***programme***.

Inside North Korea

While the concept of self-reliance - known as Juche - is integral to North Korean ideology, the state has long been dependent on overseas imports of fuel and food for its survival.

Its most high-profile trading partner China, upon whom North Korea relies for almost all its energy supplies, last month announced ***plans*** to limit exports of refined petroleum to 2 million barrels a year from January.

The report by 38 North highlighted how algae has "more ***strategic*** value than just oil" and is also a useful tool in fighting famine in a country long suffering from food shortages, due to its protein and fatty acid content.

It adds: "A population that suffers from high levels of hunger and poverty will often do whatever it takes to ease outside pressure and thwart further attempts at isolation.

"It is not surprising, therefore, that the North Korean government is developing thousands of rural open ponds ***producing*** algae and bigger and more sophisticated sites whose purpose increasingly looks like algae production."

**Load-Date:** October 25, 2017

**End of Document**



[***Register of Commission documents:to the Commission Implementing Decision adopting a Single Support Framework for European Union support to the Republic of Moldova for the period 2017-2020 Document date: 2017-08-09 COM-AC\_DR(2017)D051945-03 Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PPC-1X01-F0YC-N445-00000-00&context=1516831)

Impact News Service

October 11, 2017 Wednesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 11144 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN

***Programming*** of the European Neighbourhood Instrument (ENI) – 2017-2020

-

Single Support Framework for EU support to Moldova

(2017-2020)

Single Support Framework

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Republic of Moldova 2017-2020

Introduction

The Republic of Moldova (hereafter referred to as Moldova) is a lower middle income country with a GDP per capita (PPP) of USD 1,900 in 2016. Moldova ranked 107th out of 188 countries on the Human Development Index (HDI-0.699 – 2016 HDI Report). A period of sustained economic growth and reforms to the social protection system helped to reduce poverty levels. Nevertheless, in 2014, approximately 11.4% of the population were estimated as living below the absolute poverty line. Absolute and relative poverty is particularly acute amongst the rural population, the elderly living alone and larger (5+) households in the urban areas. Less than half of the working age population is on the labour market (42.5% in 2015), some 23% of the population lives abroad and outward migration has an important socio-economic role with remittances representing around a fifth of GDP (23.4% in 2015). A very large share of young people (30.4% in 2015) is not in employment, education or training (NEET). Moldova scored 1.01 on the Gender Development Index (2016 HDI Report), and while there is little appreciable difference between men and women on the majority of indicators, there is a substantial difference in share of gross national income.

Real GDP grew at an average rate of 4.8% per annum in 2014, but the country slipped into recession at the end of 2015 (-0.5%), as a result of the banking crisis, a severe drought, declining remittances, and weaker external flows. The International Monetary Fund (IMF) reported that the outturn for 2016 was 4.1% and forecasts further improvement in 2017 (+4.5%).The economy is dominated by the service sector (63.2% of GDP end 2015) and the manufacturing sector (20.7% of GDP). ***Agriculture*** accounts for 16.1% of GDP and 33.7% of the active labour population continue to derive their living from primary ***agriculture*** including subsistence activities (2016). There is a significant trade imbalance (USD -1913 million end 2016). Remittances fell by 27% in 2015 but levelled off in 2016. The current account deficit was 4.5% of GDP at the end of 2016. There are concerns that external debt levels may rise to unsustainable levels. Total external debt now stands at 97.2% of GDP (2016)and public and publicly-guaranteed external debt is currently 43.3% of GDP. The fiscal deficit was 2.1% in 2016. Inflation remained steady in 2012-2014 (4.6%-4.7%), but rose to 9.7% in 2015, on the back of the declining exchange value of the Moldovan LEI and rising energy and food prices. In 2016, the IMF recorded annual inflation of 6.4% and predicts that it will continue to decline steadily through 2017-2022.

Stabilisation of the economy depends on the implementation of the agreement reached with the IMF in July 2016. It was approved by the IMF Board in November 2016. The economic reform ***programme*** is supported by a three-year Extended Credit Facility and Extended Fund Facility (ECF/EFF) arrangement, valued at approximately EUR 160 million. The IMF ***Programme*** re-opened opportunities for the country, in the political, financial and economic spheres. It frames future reforms efforts which should inter alia prevent fraud in the banking sector.Nevertheless, the Moldovan economy faces a number of significant downside risks: the slowdown in the Russian economy and stagnation in the Eurozone will continue to impact upon export performance, weaker capital inflows and further reductions in remittances. These external pressures are compounded by poor revenue collection, a fragile banking sector, and structural problems in the non-banking financial sector.

Following request from the Moldovan government and also taking into account the residual financing needs under the IMF ***programme***, the European Commission adopted on 13 January 2017 a proposal for macro-financial assistance to Moldova of up to EUR 100 million (EUR 40 million in grants and EUR 60 million in loans) to be disbursed in 2017-2018 when Moldova fulfils the conditions and provided the IMF ***programme*** remains on track.

The current government under Prime Minister Filip (Democratic Party)took officein January 2016. Relative stability of the country allowed for the re-starting of reforms, namely through work on the so-called Priority Reform Action Roadmap, addressing some of the concerns and recommendations expressed in the EU Council conclusions of February 2016. In November 2016, Igor Dodon (The Party of Socialists) was elected as President by popular vote. Parliamentary elections are due in late autumn 2018. The Corruption Perception Index (CPI) indicates that Moldova continues to be regarded as a country with widespread corruption. In 2016, Moldova ranked 123, a downgrade from 103 in 2015 and its score had fallen from 33 to 30 reflecting the growing mistrust amongst the population.

Following theresumptionofnegotiationsinthe“5+2” format (Moldova, Transnistrian representative, Ukraine, Russia and the Organisation for Security and Cooperation in Europe (OSCE), with the EU and the United States of America) andthesignaturebyallpartiesoftheBerlinProtocol on2-3June2016, talks have continued at different level in an effort to move forward the process, but with limited progress to date. The European Union is committed to and fully supportive of Moldova’s territorial integrity and sovereignty and continues to work towards the peaceful resolution of the Transnistrian conflict.A permanent Working Group involving the Parliament of Moldova and the Gagauz People’s Assembly has been established toimprove relations between the Moldovan and Gagauz authorities.

1.       EU Response 1.1       ***Strategic*** objectives of the EU's relationship with the partner country

Resilience and transition to democracy and a social market economy are the EU's main political priorities outlined in the European Neighbourhood Policy (ENP) review of November 2015[1] and in the Global Strategy[1] of June 2016 as they would contribute to stability expected by the citizens. In this regard, supporting Moldova's political, social and economic development opportunities towards political association and economic integration with the EU will contribute to these aims. The Association Agreement signed in 2014,in force since July 2016, provides the basis for this commitment towards fulfilling the mentioned objectives.

The EU Council Conclusions of 15 February 2016 on Moldova highlighted a number of pending challenges and key priority reform areas to be tackled, such as addressing the politicisation of state institutions and systemic corruption and strengthening the governance of the financial sector. To address those issues, the government prepared a roadmap on priority reform actions. While several legislative measures foreseen in the roadmap have been adopted, the reform process should be continued, with a particular focus on genuine implementation of legislation and policies with the aim of improving citizens' life. In December 2016, the government approved a national ***plan*** on the implementation of the Association Agreement /Deep and Comprehensive Free Trade Agreement 2017-2019.

The priorities and indicative allocations for financial assistance to be included in the Single Support Framework (SSF) are connected to the priority actions set out by the 2017-2019 Association Agenda. 1.2       Choice of sectors of ***intervention***

The priority sectors reflect the revised ENP and the Association Agendaand are coherent with the Eastern Partnership priorities reflected inthe '20 Deliverables for 2020'.

Extensive consultations have taken place over 2015-2017 with the government, civil society organisations, multilateral and bilateral donors including EU Member States, International Financial Institutions (IFIs) and International Organisations.

The choice of priority sectors has also been guided by the Joint ***programming*** process through the completion of a Joint Analysis (involving Member States and other donors) that was presented to the Government in October 2016.The indicative budget allocations reflect the focus on delivering tangible and visible results for citizens.

To enhance the impact and visibility of EU support, the EU will identify, together with the Government of Moldova, one or two pilot regions. In each pilot region, the EU will aim to concentrate support from a number of cross-sectoral initiatives to maximise impact. This will also allow new initiatives to be piloted in the selected regions, where appropriate.The approach of pilot regions does not mean that EU assistance will be limited to these regions. It will permit concentration of EU support, where appropriate.The aim is to ensure that EU support is as close to citizens as possible.The sectors of ***intervention*** reflect the priorities set out in the relevantSector Strategies, the “Government ***Programme*** 2016-2018”, and the National Development Strategy (“Moldova 2020”). The latter document targets seven priorities: Education, Roads, Finance, Business, Energy, Pensions Reform and Justice. The strategy is presently undergoing a mid-term assessment and a new National Development Strategy until 2030 will be prepared. During the period of the SSF 2017-2020, the EU will provide support to these priorities through either the national, thematic or regional envelopes, or the EU financial institutions.For all the priority sectors of this SSF, TAIEX could propose a list of peer to peer activities to assess and match Moldova's specific needs to support and serve the reform process.

The main sectors of concentration of the SSF 2014-2017 have been as follows: Public administration reform, ***Agriculture*** and rural development; and Police reform and border management.

A number of lessons learned during the implementation of the ENPI 2007-2013 and the ENI 2014-2016 have informed the ***programming*** of this SSF:

* The need for projects that ***produce*** tangible results for citizens and provide high visibility for the EU;

1. The need to ***programme*** assistance within the framework of clear national sector strategies, supported byAction ***Plans***, whose costing is consistent with the State Budget and the medium-term budgetary projections, and evidence of ownership of reforms by the Government;
2. The importance of a sustained policy dialogue;
3. Theimportance of Government capacity to coordinate policy and legislative development and implementation and well as external assistance, ensure coherence between the budgetary processes and policy agenda, and to monitor the implementation of the AA/DCFTA;
4. The importance of mainstreaming the key Principles of Public Administration Reform, including when appropriate the Better regulation approach advocated at the EU level in sector ***programmes*** and policy dialogue;
5. The importance of mainstreaming cross-cutting issues, notably civil society engagement, youth, gender, a rights-based approach, social inclusion, environment and climate change, and of employing confidence building measures in potential and post-conflict situations;
6. The need to ensure coherence between ***interventions*** financed through the national, thematic, cross-border and regional envelopes;
7. The desirability of pursuing a joint ***programming*** approach with EU Member States and willing partners and ensuring synergy with bilateral and multilateral donors, International Financial Institutions (IFIs) and International Organisations;
8. The importance of fostering ***strategic*** communication on EU policies and support.

The priority Sectors of ***Intervention*** are:

Sector 1: Economic development and market opportunities, including sustainable and inclusive economic growth (indicative 35% of total budget)

Given the revised ENP, support for sustainable, inclusive and smart economic growth has emerged as the crucial issue in Moldova. The need to improve the business climate and to unlock innovation and investment potential is reinforced by the Association Agreement, including a DCFTA, and has been presented as a tool for modernisation and promoting prosperity.

Sector 2: Strengthening institutions and good governance, including the Rule of Law and Security (indicative 15% of total budget)

Effective and accountable public administration and justice are crucial not only to fulfil Moldova's reform aspirations and to effectively implement the EU-Moldova Agreements, but also for political stability and to gain citizen and investor confidence. The public perception of corruption among civil servants, including those serving in the judiciary, is very high. The security situation in Moldova leaves room for improvement, in particular with regard to organised crime.

Sector 3: Connectivity, energy efficiency, environment and climate change(indicative 25% of total budget)

Supporting better energy connectivity with the EU is crucial with a view to increasing the currently low level of energy supply security and diversification. The situation of transport infrastructures require in many cases strong rehabilitation efforts with a view a view to improving access of population, especially in rural areas, to social services and access to markets. In addition, some transport infrastructures are needed to ensure greater connectivity with the EU and stimulate current and future economic activity. Sustainable management of natural resources (including energy efficiency) is also underdeveloped in Moldova. Implementation of the commitments stemming from the Association Agreement, the Energy Community Treaty as well as the Paris Agreement on Climate Change will also be supported.

Sector 4: Mobility and people-to-people contacts,including support to the continuous fulfilment of the Visa Liberalisation Action ***Plan*** benchmarks and to education, training and research (indicative 10% of total budget)

Moldova was the first Eastern Neighbour to benefit from visa-free regime with the EU, whose good implementation may also contribute to ensuring public support for association with the EU. Development of stronger ties between the labour market and the education and training system and between the private sector and research are needed to support smart and sustainable economic development.

Cross-cutting issues, notably environmental protection and climate change, promoting the digital economy and society, gender and human rightswill be mainstreamed in the priority sectors,together with the key Principles of Public Administration. Especially policy and legislative development needs to be inclusive and based on evidence. This is a key in ensuring implementation and enforcement of adopted policies and legislation, including those required by commitments under the DCFTA. Complementary support may also be provided, in order to implement priority commitments that are not already covered.

The regional and multi-country ***programmes*** will continue to provide key complementary support to implement results to citizens in the context of the EaP priorities set in Riga and the regional multiannual indicative ***plan***. With regards to strengthening market opportunities, support will continue under the EU4Business Initiative – with support ranging from a business friendly regulatory environment to the implementation of the DCFTA - as well as EU4Digital, which will provide support to strengthening the digital economy and society within and across the region. Support to strengthening the international and regional connectivity agenda including on transport in line with the TEN-T network, energy and climate change and the environment will be provided both through relevant regional ***programmes*** (i.e EU4Energy) as well as the Neighbourhood Investments Facility and EU4Innovation. Similarly, EU4Youth as well as continued ***programmes*** such as Erasmus+ will continue to benefit the mobility and people to people contacts. In addition, the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM) will be another priority areas of ***intervention*** for regional cooperation of particular importance for Moldova. 2.   Financial overview

The indicative allocation for 2014-2020 isEUR610 million to EUR746 million. The indicative allocation for 2017-2020 is EUR 284million to EUR 348million. The indicative breakdown by sector is the following:

|  |  |  |
| --- | --- | --- |
| Sectors | Indicative allocation | % of total allocations |
| 1.Economic development and market opportunities,including sustainable and inclusive economic growth | EUR 99.4million? EUR 121.8million | 35% |
| 2.Strengthening institutions and good governance,including the Rule of Law and Security | EUR 42.6 million?EUR 52.2million | 15% |
| 3.Connectivity, energy efficiency, environment and climate change | EUR71million - EUR87million | 25% |
| 4. Mobility and people-to-people contacts, including support to the continuous fulfilment of the Visa Liberalisation Action ***Plan*** benchmarks and to education, training and research | EUR28.4 million- EUR34.8million | 10% |
| Complementary support for capacity development and institution building | EUR14.2 million- EUR17.4million | 5% |
| Complementary support for civil society development | EUR14.2 million- EUR17.4million | 5% |
| Complementary support for ***strategic*** communication | EUR14.2million - EUR17.4million | 5% |

In addition, Moldova may benefit from supplementary allocations provided under the umbrella ***programmes***. Such supplementary allocations will be granted on the basis of progress towards deep and sustainable democracy and implementation of agreed reform objectives contributing to the attainment of that goal.

Moldova is also eligible for financial support under a number of other EU instruments, such as the Instrument contributing to Stabilityand Peace (IcSP), Humanitarian Aid, the Partnership Instrument, the European Instrument for Democracy and Human Rights, the Instrument for Nuclear Safety Cooperation, Macro-Financial Assistance, the Mobility Partnership Facility (MPF), Development Co-operation Instrument (DCI) thematic ***programmes***, and external actions under EU internal ***programmes*** for e.g research and innovation, energy, transport, education and youth (Erasmus+) and culture (Creative Europe). 3.   EU support per sector 3.1 Economic development and market opportunities, includingsustainable and inclusive economic growth (indicative 35% of total budget)

3.1.1 The overall objectiveis to stimulate smart, sustainable and inclusive economic growth and development, including in the regions, reduce absolute and relative poverty through improving the business environment and investment climate, create jobs and to facilitate trade with the EU, .The specific objectivesinclude:

* to enable the country to maximise the potential benefits of the DCFTA by reducing the technical and administrative barriers to trade and to ensure compliance with SPS standards (specific objective 1);

1. to support structural reforms to improve economic performance and governance, in close synergy with the IMF, World Bankand EU Macro Financial Assistance and in close coordination with the sector of ***intervention*** on 'Strengthening institutions and good governance,including the Rule of Law and Security' (specific objective 2);
2. to facilitate SMEs' access to finance, to business services and to improve commercial justice; to support diversification of access to finance beyond the banking sector (specific objective 3);
3. to increase productivity of SMEs, production of more higher value added products by SMEs, improve quality standards; to facilitate the emergence of start-ups in ***strategic*** sectors including by using the potential of the digital economy, and to enhance innovation and technology transfer towards business (specific objective 4);
4. tofacilitate the emergence of social enterprises (specific objective 5);
5. to promote inclusive growth and social cohesion through stimulation of job creation in less favoured areas, including in particular rural areas (specific objective 6).

3.1.2 The main expected results include:

* In relation to specific objective 1: continuation of the general positive trend in total trade. Procedures are simplified and border agency cooperation is enhanced to secure and facilitate trade.

1. In relation to specific objective 2: the macro-economic policy of the Government of Moldova is stability-oriented.
2. In relation to specific objective 3: the economic transition process is driven forward allowing creating an attractive environment and level playing-field for private-sector investments and business execution. Access to finance for SMEs is broader.
3. In relation to specific objective 4: contribution of SMEs in the GDP increases in value. New opportunities in high growth potential areas such as possibly ***agriculture***, greening of the economy and digital markets are seized.
4. In relation to specific objective 5: social enterprises are created and developed.
5. In relation to specific objective 6: disparities between regions and between urban and rural areas in Moldova are reduced and new additional jobs are created.

3.1.3 The main indicators are:

* Volume and/or value of trade ; volume and/or value of trade to the EU;

1. Value of Foreign Direct Investment; value of Foreign Direct Investment originating from the EU
2. Score of Moldova on Ease of Doing Business Indicators (World Bank Group)
3. Enterprise value-added, profitability and per capita productivity rates;
4. Contribution of SMEs in the GDP
5. Number of business start-up and survival rates;
6. Number of social enterprises and survival rates;
7. Employment rate at national/regional level;
8. Number of jobs created per region against lost jobs;

3.1.4 Policy dialogue with donorstakes place both at bilateral level and within the Sector Councils in the field of external assistance, set up in accordance with Government Decree no.561 (19th August 2015).Formal Sector Councils have been established to discuss support to SMEs, ***Agriculture*** and Regional Development. In addition, ad hoc fora have been established (some led by government and others by donors) to discuss and coordinate with donorson specific sectoral issues. A donor group also exists specifically for the issue of food safety. Regular cross-sectoral meetings of all Development Partners take place.The EU Delegation is engaged in a wide-ranging policy dialogue with the Government, including through the EU High Level Policy Advice Mission (EUHLPAM). Advisors are present in each of the key sectors: Economy, Labour, and ***Agriculture*** and Regional Development.

3.1.5 The partner country's policy commitments are described in the Association Agreement and revised Association Agenda 2017-2019.

3.1.6 When required by the legislation in force, the appropriate type of environmental assessment (Environmental impact assessment (EIA) and ***strategic*** environmental assessment (SEA)) will be carried out.

3.1.7 The overall risks to the sector ***intervention*** are:

* The outcome of the Parliamentary elections (***planned*** for end 2018) has an impacton the government's ability and commitment to implement provisions of the AA/DCFTA.

1. Political uncertainty regarding the outcome of the election leads to potential investors' disengagement.

1. The Government fails to implement Title IV 'Economic and other sectoral cooperation' and Title V “Trade and Trade related matters” of the Association Agreement in a timely and efficient manner and apply the provisions of harmonised legislation rigorously, transparently and equitably;
2. The Government lacks the budgetary resources necessary to co-finance investment projects in support of the DCFTA or meet the operational and maintenance costs of those public bodies responsible for oversight and monitoring of implementation;
3. Enterprises and entrepreneurs are not making the necessary investments to upgrade production standards, quality and efficiency in the present economic climate;
4. There is a lack of political will and limited institutional and human resource capacities within the stakeholder Ministries to manage and monitor the implementation of their respective sector policies;
5. There is a lack of sufficient and adequate available Labour force which limits Moldovan economic attractiveness.

The EU will closely monitor and react to mitigate the impact of any of the above-mentioned risks, by, inter alia, allocating human, financial, technical and diplomatic resources and by reinforcing the policy dialogue. 3.2 Strengthening institutions and good governance, including the Rule of Law and Security (indicative 15% of total budget)

3.2.1 The overall objective is to promote good governance,democracy, the rule of law and human rights in the Republic of Moldova (in line with the Association Agreement), and to strengthen Moldova's state and societal resilience including also against security threats, such as hybrid threats, and to secure Moldova's international borders.

The specific objectives are:

* to prevent and fight against corruption, conflicts of interestand fraud (specific objective 1);

1. to support the public administration reform at national and local level. It includes: modernisation and further digitalisation of public services delivery, to increase inclusive and evidence-based policy development and coordination based on high quality official statistics, improvement of public finance management (PFM), improvement of accountability and governance of public administration and state-owned enterprises, and professionalisationand de-politisation of public administration (specific objective 2);
2. to strengthen independence, accountability, efficiency, transparency and professionalism of the Judiciary(specific objective 3);
3. to strengthen Moldova's security situation, including the capacity to secure borders, and to fight against organised crime, trafficking in human beings and smuggling of migrants, drugs and illicit arms trafficking, counterfeiting, money laundering and financial crime, as well as cybercrime (specific objective 4);
4. to promote confidence-building initiatives in Moldova (specific objective 5).
5. to support the independence of media and increase access to balanced and reliable news reporting for citizens (specific objective 6).

3.2.2 The main expectedresults are:

* In relation to specific objective 1: decreased corruption, in particular high-level corruption, and decreased perception of corruption through the effective implementation of a comprehensive anti-corruption and integrity policy; increased transparency, decreased conflicts of interest and effective asset recovery.

1. In relation to specific objective 2: quality, accessibility, efficiency and cost effectiveness of public services both at national and local levels are enhanced, including a more rational framework of administrative procedures for service delivery and increased availability of effective e-governance services; the transparency and accountability of the public administration, including the state-owned enterprises is enhanced, PFM systems are improved to ensure effective control of expenditure; a depoliticized public administration is established; Coverage and quality of available statistics is improved and increasing use of official statistics is made for policy decision.
2. In relation to specific objective 3: a more independent, andeffective judiciary system is in place.
3. In relation to specific objective 4: capacity of Moldova to ensure the security of its population and to be more resilient to security threats is strengthened and money laundering legislation is effectively implemented.
4. In relation to specific objective 5: economic, social and sectoral rapprochement between the two banks of the Nistru River is ensured with a positive impact onthe Transnistria settlement process.
5. In relation to specific objective 6: media are more independent and citizens have an increased access to balanced and reliable news reporting.

3.2.3 The main indicators are:

* Worldwide Governance indicators;

1. Transparency International Corruption Perception Index;
2. Number of corruption cases reported, disaggregated by source (State or non-State actors), as well as number of investigations and convictions of these cases;
3. Level of implementation of the territorial reform;
4. Quality of the medium-term budgetary framework;
5. Quality of public debt management;

1. Number of new e-governance modules rolled out (number of accessible public services for citizens through internet);

1. Use of statistics for evidence-based decision-making and holding the government accountable;
2. Public trust in the prosecution services, the judiciary and the law enforcement agencies;
3. User satisfaction on the effectiveness of the justice system;
4. Indicators of CEPEJ (European Commission for the Efficiency of Justice – Council of Europe);
5. Nº of persons charged and convicted of trafficking in human beings and smuggling of migrants, organised crime, smuggling and counterfeiting;

1. Value of illicit goods, drugs, arms etc. seized;

1. Level of implementation of recommendations for the Transnistrian settlement;
2. Audience for independent media;

3.2.4 In accordance with Government Decree no.561 (19th August 2015)a formal Sector Council has been established for Public Finance Management. The Public Administration Reform (PAR) is currently coordinated by the National Council on Public Administration Reform, chaired by the Prime Minister. In the area of Justice and Home Affairs (JHA), Sector Councils exist for Justice and Police Reform. In addition, there is a donor only coordination group on law enforcement and border control. The EU Delegation is engaged in a wide-ranging policy dialogue with the Government, including through the EU High Level Policy Advice Mission (EUHLPAM).Advisors are present in each of the key sectors: justice, prosecution, anti-money-laundering and combating financing of terrorism, internal affairs, public finance management, public administration reform, security sector reform, police, anti-corruption, confidence-building measures.

3.2.5 The partner country's policy commitments are described in the Association Agreement and in the revised Association Agenda 2017-2019.

3.2.6 At this juncture no environmental assessment (SEA or EIA) is anticipated.

3.2.7 The overall risks to the sector ***intervention*** are:

* The outcome of the Parliamentary elections (***planned*** for end 2018) has an impact on the government's ability and commitment to implement the provisions of the AA/DCFTA;

1. Internal and external political tensions and macro-economic shocks divert the Government’s focus, restrict the pace and direction of the PAR and JHA reforms and inhibit the capacity of the Government to finance its reform agenda and make the necessary capital investments;
2. A lack of political will and/or vested interests derail the PAR and JHA reforms and efforts to fight against corruption;
3. Resistance within the public administration, the judiciary, prosecution services and border management services to the proposed reforms;
4. Inability of the Government to obtain the parliamentary majority necessary to introduce constitutional reforms to the structures and processes of the central and local government systems.

The EU will closely monitor and react to mitigate the impact of any of the above-mentioned risks, by, inter alia, allocating human, financial, technical and diplomatic resources and by reinforcing the policy dialogue. 3.3 Connectivity, energy efficiency, environment and climate change (indicative 25% of total budget)

3.3.1 The overall objectiveis to support better connectivity with the EU in the areas of transport and energy, support energy efficiency, resilience and security of Moldova address environmental challenges and contribute to adapt to climate change. The specific objectivesinclude:

* to reduce energy consumption by increasing energy efficiency and to promote renewable energy sources (specific objective 1);

1. to enhance resilience and security through energy sector reforms and by strengthening regulatory authority independence and interconnections(specific objective 2);
2. to improve local public services and local management of new or upgraded infrastructures (specific objective 3);
3. to enhance the governance of the transport sector and to assist on the prioritisation of key actions (specific objective 4).

The above specific objectives entail investments in transport, water, waste management, energy (including energy efficiency) and social infrastructures.

3.3.2 The main expected results are:

* In relation to specific objective 1: more efficient use of energy and higher share of renewable energy in the energy mix;

1. In relation to specific objective 2:Increased energy security, clean energy, market competition and transparency through enhanced independence of the energy regulator and implementation of EU energy market and sustainable energy legislation;
2. In relation to specific objective 3: improved living conditions of citizens through improved access to drinking water, wastewater and solid waste treatment systemsand through enhanced service delivery and renewed social and technical infrastructures in local communities;
3. In relation to specific objective 4: improved transport connectivity within the country and with the EU.

3.3.3    The main indicators are:

* Energy efficiency rate;

1. CO2 emissions/other greenhouse gas emissions
2. Implementation of the ***strategic*** projects on gas and electricity connectivity with EU/Romania;
3. Implementation of Energy Community and Association Agreement legislative and regulatory commitments in energy;
4. Nº of citizens connected to main gas and electricity networks;
5. Nº of inhabitants connected to mains drinking water and waste water systems;
6. Nº of inhabitants covered by waste/separate waste collection and recycling rates;
7. Access to enhanced public services and infrastructures;
8. Nº of kilometres of roads upgraded and regularly maintained;
9. Number of fatalities due to road accidents reduced.

3.3.4    In accordance with Government Decree no.561 (19th August 2015), donor coordinationtakes place through theSector Councilsestablished in the field of external assistancein transport, environment, energy etc.In addition, a specific ad hoc coordination group has been established for ***strategic*** energy projects. There is an extensive policy dialogue with the Government at bilateral level (Government – individual Development Partner), and with the Ministry of Regional Development and Construction on more technical issues. A high level group, led by the Prime Minister, has addressed the road sector.The EU Delegation is also engaged in a wide-ranging policy dialogue with the Government, including through the EU High Level Policy Advice Mission (EUHLPAM). Advisors are present in each of the key sectors: Energy, Environment, Transport etc.

3.3.5 The partner country's policy commitments are described in the Association Agreement and in therevised Association Agenda 2017-2019.

3.3.6 When required by the legislation in force, the appropriate type of environmental assessment (SEA or EIA) will be carried out, most notably with respect to any investments in the modernisation of the social, technical and connectivity infrastructure.

3.3.7 The overall risks to the sector ***intervention*** are:

* the outcome of the Parliamentary elections (***planned*** for end 2018) has an impact on the government's ability and commitment to implement the provisions of the AA/DCFTA.

1. the potential lack of sufficiently mature, fundable infrastructure investment projects and a failure to agree on the prioritisation of the projects;
2. conceptual disagreements within the Government and between the Government and the donors/IFIs or within the donor community regarding the priorities, objectives and approach to be pursued in order to stimulate regional and local development;
3. a lack of financial, technical and human resource capacities in the districts (raioane) to design, manage, monitor and co-finance development projects.

The EU will closely monitor and react to mitigate the impact of any of the above-mentioned risks, by, inter alia, allocating human, financial, technical and diplomatic resources and by reinforcing the policy dialogue. 3.4 Mobility and people-to-people contacts, including support to the continuous fulfilment of the Visa Liberalisation Action ***Plan*** benchmarks and to education, training and research (indicative 10% of total budget)

3.4.1 The overall objective is to enhance and facilitate the mobility of citizens, develop the skills of the young generation, strengthen the coordination between the education and training system and the labour market and stimulate competitiveness, research and innovation as enablers to economic development, while also targeting social inclusion in education and labour. The specific objectives are:

* to sustain the fulfilment of all benchmarks of the Visa Liberalisation Action ***Plan*** and to continue implementing the Mobility Partnership (specific objective 1);

1. to enhance the functioning of the labour market by ensuring synergy between the needs of the labour market and the skills and qualifications offered by the education, vocational education and training systems and to improve law enforcement in the areas of labour rights and working conditions (specific objective 2);
2. to support innovation and research including fostering research/private sector partnerships (specific objective 3);
3. to strengthen the inclusion of disadvantaged groups (including minorities) in mainstream education (specific objective 4).

3.4.2 The main expected results are:

* In relation to specific objective 1: Visa-free regime operates effectively and there are projects being implemented under the Mobility Partnership.

1. In relation to specific objective 2:Social inclusion is enhanced. The percentage of VET graduates in employment or further study after six months is increased. The NEET rate has decreased. Informal employment in total employment is decreased.Enrolment in VET, including continuous training, is increased.Improved conditions of work, including health and safety, improved effective application of labour rights.
2. In relation to specific objective 3: research-industry partnerships are fostered. The diversification of the economy is increased thanks to the growth of innovative sectors.
3. In relation to specific objective 4: inclusion of disadvantaged groups (including minorities) in mainstream education is ensured.

3.4.3 The main indicators are:

* Level of fulfilment of the VLAP benchmarks for Moldova and number of projects under the Mobility Partnership.

1. Percentage of graduates of VET courses finding employment within six months of the completion of their courses.
2. NEET (Not in Education, Employment, or Training) rate.
3. Share of informal employment in total employment;.
4. Gender gaps in activity rate, employment rate and unemployment rate and gender pay gap.
5. Number of persons from socially or physically disadvantaged groups in employment.
6. N° of inspections (labour law and health and safety at work) and n° of violations sanctioned.
7. Enrolment rate, academic success rate and drop-out rate of young people disadvantaged groups (including minorities) in mainstream education.

3.4.4 The Ministry of Education is responsible for the donor coordination in the field of Vocational Education Training (VET) andhas established the National Coordinating Councilto ensure the coordination in the sector. There is also extensive policy dialogue and coordination on a bilateral level.In the field of Visa liberalisation, the main coordination and monitoring mechanism in place is the Moldova-EU Mobility Partnership. The Moldova-EU Mobility Partnership Platform meets at least once per year with all partners involved.The EU Delegation is also engaged in a wide-ranging policy dialogue with the Government including through the EU High Level Policy Advice Mission (EUHLPAM).Advisors are present in the Education and Research area, as well as in the Employment field.

3.4.5    The partner country's policy commitments are described in the Association Agreement and in the revised Association Agenda 2017-2019.

3.4.6    At this juncture no environmental assessment (SEA or EIA) is anticipated.

3.4.7    The overall risks to the sector ***intervention*** are:

* No willingness from EU Member States to implement projects under the Mobility Partnership;

1. Failure of the Government to finance its employment and VET reform agenda;
2. A lack of political will and limited institutional and human resource capacities within the stakeholder Ministries to manage and monitor the implementation of their respective sector policies;
3. Resistance within the VET institution and amongst Higher Education to the introduction of new institutional arrangements, management and quality assurance systems, career paths, qualifications and curricula;
4. The social partners and civil society organisations are unwilling or unable to play a constructive role in the implementation of the sector policies or uptake of sector objectives;
5. A lack of sufficient investments to finance research-industry partnerships;
6. A lack of sufficiently educated researchers and entrepreneurs due to massive brain drain in the country.
7. The EU will closely monitor and react to mitigate the impact of any of the above-mentioned risks, by inter alia allocating human, financial, technical and diplomatic resources and by reinforcing the policy dialogue.
8. The demographic deficit continues to increase having strong negative impact on the country development perspective.

4.   Complementary support for capacity development and institution building (5%)

This complementary provision will provide support for capacity development and institution building activities and will address the implementation of priority commitments deriving from EU agreements and the dialogue on mobility that are not already covered under the four principal priority sectors. Assistance will be provided to those line Ministries, State Agencies and Public Institutions involved in the implementation of the AA and DCFTA to strengthen their institutional, technical and human resource capacities to implement the Agreements. In this context, specific attention will be paid to supporting the legal approximation processes, assisting in the drafting of the Directives/Regulations/Standards included in Association Agenda, and in preparing a pipeline of fundable projects.

The EU will additionally provide support to the policy dialogue between the EU and the Moldovan Government and continue to support the national authorities to upgrade their capacities to ***programme***, manage, coordinate, monitor and evaluate external assistance and to align it with national and sector priorities. The support may also address participation in EU ***programmes*** and in the work of EU agencies. 5.   Complementary support for civil society development (5%)

In order to build stronger democratic processes and accountability systems, civil society will be supported, beyond sector specific support, through this complementary envelope. The targeted civil society will include business and/or ***producers*** associations, and/or representative social partners' organisations. The development of civil society's professionalism, skills and their links to the citizens, including their ability to work on regional and local level will also be targeted. This support will notably aim at:

- ensuring sustainability of civil society actors, including social partners, at national level by developing their capacity to contribute to dialogue and policy making in all sectors of the Association Agenda,

- developing civic engagement, increasing CSOs' outreach and contacts with their constituencies, stimulating networking between CSOs', media, business organisations, local authorities and schools, improving management of CSOs at regional level,

- fostering gender equality active engagement of youth, women and minorities in CSOs and in voluntary work,

- implementing the provisions of the EU Gender Action ***Plan***. 6.   Complementary support for ***strategic*** communication(5%)

In February 2016, the Council in its Conclusions stated that: Effective, ***strategic*** communication, including in cooperation with civil society and independent media, on the reforms achieved and to be undertaken in the framework of the Association Agreement including its Deep and Comprehensive Free Trade Area, is of key importance to raise awareness among the citizens of the Republic of Moldova about benefits expected from political association and economic integration with the European Union.

Specific effortswill be made to foster ***strategic*** communication on EU policies and support. This means a focus on effectively communicating EU's messages to various audiences, reducing the risk of fragmentation of communication under an individual project approach. This includes engaging partners and Moldovan authorities, ensuring sound understanding of target audiences through robust opinion analysis and making use of most appropriate communication tools and channels. ***Strategic*** communication efforts will be mainstreamed in the four priority sectors, but will alsobesupported by this complementary provision.

  Attachments

* Joint Analysis

1. Sector of ***intervention*** framework and performance indicators

  Attachment 1. Joint Analysis

  Attachment 2.       Sector of ***intervention*** framework

The indicators provided in this section are indicative and provide a framework for assessing progress under the present multi-annual ***programming*** document. Baseline and targets for these indicators will be decided upon at a later stage (I.e before implementation).

|  |  |  |
| --- | --- | --- |
| Sector 1:Economic development and market opportunities, including sustainable and inclusive economic growth Specific objective 1:to enable the country to maximise the potential benefits of the DCFTA by reducing the technical and administrative barriers to trade and to ensure compliance with Sanitary and Phytosanitary (SPS) standards. |  |  |
| Expected Results | Indicators (highlighted in green = indicators proposed by Del) | Means of verification |
| Continuation of the general positive trend in total trade, in particular with the EU. | Volume and/or value of trade; volume and/or value of trade to the EU; Balance of payments deficit Value of Foreign Direct Investment;value of Foreign Direct Investment originating from the EU Number of trade-related laws and regulations harmonised with EU acquis | National Bureau of Statistics Reports |
| Trade with the EU is facilitated.Technical and Administrative barriers to trade are reduced. Compliance with SPS is ensured | Degree of compliance with the AA/DCFTA Agendaand with the AA/DCFTA commitments Number of technical and administrative barriers to trade removed | EU Annual Progress Report Ministry of Economy Annual Report Ministry of Interior reports and statistics Revenue Service Reports |
| Specific objective 2:to support structural reforms to improve economic performance and governance, in close synergy with the IMF,World Bank and the EU Macro Financial Assistance and in close coordination with the sector of ***intervention*** on 'Strengthening institutions and good governance,including the Rule of Law and Security' |  |  |
| Expected Results | Indicators | Means of verification |
| The macro-economic policy of the Government of Moldova is stability-oriented   . | Laws related to competition, including state aid, and bankruptcy amended and applied rigorously, transparently and equitably; Transparent and professional management of State-Owned enterprises; Increase in bank loans to GDP | Ministry of Economy Annual Report Statistics of the National Bank |
| Specific objective 3:to facilitate SMEs' access to finance, to business services and to improve commercial justice; to support diversification of access to finance beyond the banking sector. |  |  |
| Expected Results | Indicators | Means of verification |
| The economic transition process is driven forward allowing to create an attractive environment and level playing-field for private-sector investments and business execution. | Score of Moldova on Ease of Doing Business Indicators (World Bank Group) Number of out of courts settlements for business dispute resolutions | World Bank Group |
| Improved access to finance and insurance schemes for SMEs is broader. | Number of SMEs benefiting from finance Volume of access to finance for SMEs, including in the ***agricultural*** sector | Small Business Act assessment (OECD), Business Environment and Enterprise Performance Survey (EBRD), DCFTA Facility (NEAR) Ministry of Economy |
| Specific objective 4:to increase productivity of SMEs, production of more higher value added products by SMEs, and improve quality standards, to facilitate the emergence of start-ups in ***strategic*** sectors including by using the potential of the digital economy, and to enhance innovation and technology transfer towards business. |  |  |
| Expected Results | Indicators | Means of verification |
| Contribution of SMEs in the GDP increase in value. | Contribution of SMEs in the GDP Enterprise value-added, profitability and per capita productivity rates; Percentage increase in number of Moldovan enterprises engaged in export activities generally and exporting to the EU in particular; Percentage increase in number of business start-up and survival rates; | Ministry of Economy Annual Report National Bureau of Statistics Reports |
| Improved conditions for production, processing and marketing of selected ***agricultural*** commodities | Productivity of selected commodities (increase)   ***Agricultural*** added value of selected commodities (increase) | Ministry of ***Agriculture***   National Bureau of Statistics Reports |
| Development of efficient value chains and increased competitiveness in selected sectors with high export potential and/or import substitution | Number of infrastructure for storage and processing of selected crops (in particular fruits&vegetables) | Ministry of ***Agriculture***   National Bureau of Statistics Reports |
| New opportunities in high growth potential areas such as possibly ***agriculture***, greening of the economy and digital markets are seized | Number of business start-up and survival rates in following areas: ***agriculture***, greening of the economy and digital markets. Level of independence of the telecom regulator; level of harmonisation of spectrum allocation with the EU and roaming pricing with the other 5 EaP partners; level of broadband coverage. Level of structuring, mapping, and interconnection of ICT innovation and start-up ecosystems; Establishment of and functioning of a CERT - Computer Emergency Response Team; Level of harmonisation on eCommerce, eCustoms, eLogistics and eHealth legislation. | Relevant MD Ministries, agencies     European Commission, DG CONNECT, DG NEAR |
| Specific objective 5:to facilitate the emergence of social enterprises; |  |  |
| Expected Results | Indicators | Means of verification |
| Social enterprises are created and developed. | Number of social enterprises and survival rates; Number of persons employed in social enterprises | Ministry of Economy |
| Specific objective 6:to promote inclusive growth and social cohesion through stimulation of job creation in less favoured areas, including in particular rural areas. |  |  |
| Expected Results | Indicators | Means of verification |
| Disparities between regions and between urban and rural areas in Moldova are reduced. Jobs are created. | Regional GDP; Employment rate at national/regional level ; Number of jobs created per regions against lost jobs; National Strategy for Regional Development 2016-2020 implemented through projects. | Ministry of Economy Annual Report Ministry of Regional Development and Construction Annual report |

|  |  |  |
| --- | --- | --- |
| Sector 2:Strengthening institutions and good governance, including the Rule of Law and Security Specific objective 1:    to prevent and fight against corruption, conflicts of interest and fraud |  |  |
| Expected Results | Indicators | Means of verification |
| Decreased corruption, in particular high-level corruption, and decreased perception of corruption through the effective implementation of a comprehensive anti-corruption and integrity policy; increased transparency, decreased conflicts of interest and effective asset recovery. | Worldwide Governance indicators Transparency International Corruption Perception Index Number of sectoral and regional development ***plans*** with effective anticorruption measures. Number of asset declarations introduced and verified. Number of corruption cases reported, disaggregated by source (State or non-State actors), as well as number of investigations and convictions of these cases. Fully-fledged Asset Recovery Office in place with a track record for identification, freezing, management and confiscation of criminal/unjustified wealth. Implementation of OECD-Anti Corruption Network (ACN) and GRECO recommendations, including in relation to business integrity and public procurement. | Transparency International annual report and Corruption Perception Index World Governance Indicators UNCAC report GRECO and OECD reports MoIA annual report Asset Recovery Office annual report Justice, Freedom and Security sub-committee meetings |
| Specific objective 2:to support the public administration reform at national and local level. It includes: modernisation and further digitalisation of public services delivery, to increase inclusive and evidence-based policy development and coordination based on high quality official statistics, improvement of public finance management, improvement of accountability and governance of public administration and state-owned enterprises, and professionalization and de-politisation of the civil service. |  |  |
| Expected Results | Indicators | Means of verification |
| Quality, accessibility, efficiency and cost effectiveness of public services both at national and local levels are enhanced, including a more rational framework of administrative procedures for service delivery and increased availability of effective e-governance services; | Accessibility of public services(SIGMA composite indicator) Fairness and efficiency of administrative procedures (SIGMA composite indicator) Level of implementation of the territorial reform; Efficiency and transparency of public procurement Comprehensive legal framework to protect citizens against maladministration and unjustified administrative decisions (comprehensive appeal system and regulation on public liability and compensations in case of administrative wrongdoing). Number of new e-governance modules rolled out (number of accessible public services for citizens through internet) Fairness in handling of administrative judicial disputes (SIGMA composite indicator) | OECD-SIGMA Assessment Reports on implementation of PAR Strategy |
| The transparency and accountability of the public administration, including the state-owned enterprises is enhanced | Accountability and organisation of central government (SIGMA composite indicator)   Accessibility of public information (SIGMA composite indicator) | OECD-SIGMA assessment Reports on implementation of PAR Strategy |
| PFM systems are improved to ensure effective control of expenditure; | Quality of the medium-term budgetary framework; (SIGMA composite indicator) Quality of public debt management; (SIGMA composite indicator) Level of scrutiny and oversight by Parliament over budget preparation and execution and reports of Court of Accounts | OECD-SIGMA assessment |
| A depoliticized public administration is established. | Merit-based recruitment and dismissal of senior civil servants (SIGMA composite indicator);   Extent to which managerial accountability mechanisms are established in the regulatory and legislative framework and applied in practice (SIGMA composite indicator). | OECD-SIGMA assessment |
| Coverage and quality of available statistics is improved and increasing use of official statistics is made for policy decision. | More statistical indicators ***produced*** by the National Statistical Office of Moldova in 2020 than in 2017. Extent to which the policy-making and legal-drafting process is evidence-based (SIGMA composite indicator)Use of statistics for evidence-based decision-making and holding the government accountable | National statistics available on the web site of the national statistical bureauor in publications in the period 2017-2020 OECD-SIGMA assessment Reports on implementation of PAR Strategy |
| Specific objective 3:to strengthen independence, accountability, efficiency, transparency and professionalism of the Judiciary; |  |  |
| Expected Results | Indicators | Means of verification |
| A more independent and effective judiciary system is in place. | Public trust in the prosecution services, the judiciary and the law enforcement agencies. User satisfaction on the effectiveness of the justice system; Indicators of CEPEJ (European Commission for the Efficiency of Justice ? Council of Europe); | Public Opinion Poll Corruption Perception Index User satisfaction and legal needs surveys CEPEJ |
| Specific objective 4:to strengthen Moldova's security situation, including the capacity to secure borders, and to fight against organised crime, human trafficking, drugs and illicit arms trafficking, counterfeiting, money laundering and financial crime, as well as cybercrime; |  |  |
| Expected Results | Indicators | Means of verification |
| Capacity of Moldova to ensure the security of its population and to be more resilient to security threats is strengthened. | Nº of persons charged and convicted of trafficking in human beings and smuggling of migrants, organised crime, smuggling and counterfeiting. Value of illicit goods, drugs, arms etc. seized. Level of irregular migration. | EUBAM Annual Report MoIA Annual Report MoF Annual Report Commission monitoring reports on visa-free regime |
| Money laundering legislation is effectively implemented. | Number of investigations and convictions of money-laundering cases. Implementation of FATF (Financial Action Task Force) recommendations. | Report from the National Anti-Corruption Centre   MONEYVAL Reports FATF monitoring reports |
| Specific objective 5:to promote confidence-building initiatives in Moldova. |  |  |
| Expected Results | Indicators | Means of verification |
| Economic, social and sectoral rapprochement between the two banks of the Nistru River is ensured with a positive impact on the Transnistria settlement process. | Level of implementation of recommendations for Transnistrian settlement. |  |
| Specific objective 6: to support the independence of media and increase access to balanced and reliable news reporting for citizens. |  |  |
| Expected Results | Indicators | Means of verification |
| Media are more independent and citizens have an increased access to balanced and reliable news reporting. | Audience for independent media. Reporters Without Borders Press Freedom Index | Polls on media consumption Reporters Without Borders Press Freedom Index |

|  |  |  |
| --- | --- | --- |
| Sector 3:Connectivity, energy efficiency, environment and climate change Specific objective 1:to reduce energy consumption by increasing energy efficiency and to promote renewable energy sources; |  |  |
| Expected Results | Indicators | Means of verification |
|  |  |  |
| More efficient use of energyand higher share of renewable energy in the energy mix. | CO2 emissions/other greenhouse gas emissions Energy efficiency rate | Ministry of Environment Annual Report |
| Specific objective 2: to enhance resilience and security through energy sector reforms and by strengthening regulatory authority independence(specific objective 2) |  |  |
| Increased energy security, clean energy, market competition and transparency through enhanced independence of the energy regulator and implementation of EU energy market and sustainable energy legislation; | Implementation of the Memorandum of Understanding on common energy interconnection projects between Romania and Moldova. Implementation of the ***strategic*** projects on gas and electricity connectivity with EU/Romania. Nº of citizens connected to main gas and electricity networks Implementation progress of the 'Energy Efficiency' and 'Renewable Energy' Action ***Plans***. Implementation of Energy Community and Association Agreement legislative and regulatory commitments in energy. | Relevant line Ministries Annual Reports Local Authorities? Annual Reports National Bureau of Statistics Reports Ministry of Economy Annual Report Energy Community Secretariat reports Association Agreement meetings |
| Specific objective 3:to improve local public services and local management of new or upgraded infrastructures; |  |  |
| Expected Results | Indicators | Means of verification |
| Improved living conditions of citizens through improved access to drinking water, wastewater and solid waste treatment systems; | Nº of inhabitants connected to mains drinking water and waste water systems;   Nº of inhabitants covered by waste/separate waste collection and recycling rates; | Relevant line Ministries Annual Reports National Bureau of Statistics Reports |
| Improved living conditions of citizens through enhanced service delivery and renewed social and technical infrastructures in local communities; | Access to enhanced public services and infrastructures | Relevant line Ministries Annual Reports Local Authorities? Annual Reports National Bureau of Statistics Reports |
| Specific objective4:to enhance the governance of the transport sector and to assist on the prioritisation of key actions. |  |  |
| Expected Results | Indicators | Means of verification |
| Improved transport connectivity within the country and with the EU | Nº of kilometres of roads upgraded and regularly maintained Number of fatalities due to road accidents reduced. | Ministry of Transports and Road Infrastructure Annual Report Ministry of Regional Development and Construction Annual Report National Bureau of Statistics Reports |

|  |  |  |
| --- | --- | --- |
| Sector 4:Mobility and people-to-people contacts, including support to the continuous fulfilment of the Visa Liberalisation Action ***Plan*** benchmarks and to education, training and research. Specific objective 1:to sustain the fulfilment of all benchmarks of the Visa Liberalisation Action ***Plan*** and continue the implementation of the Mobility Partnership. |  |  |
| Expected Results | Indicators | Means of verification |
| Visa-free regime operates effectively. | Level of fulfilment of the VLAP benchmarks for Moldova. Number of Moldovan citizens making use of the visa-free regime Status of the implementation of the EU-Moldova Readmission Agreement including number of reintegrated migrants (disaggregated by gender). | Commission monitoring reports on visa-free regime/Ministry of Internal Affairs Statistics on border-crossings Reports of the Joint Readmission Committee Justice, Freedom and Security Subcommittee meetings |
| Projects are being implemented under the Mobility Partnership. | Number of projects under the Mobility Partnership | Mobility Partnership meetings and scoreboard |
| Specific objective 2:to enhance the functioning of the labour market by ensuring synergy between the needs of the labour market and the skills and qualifications offered by the education, vocational education and training systems and to improve law enforcement in the areas of labour rights and working conditions (specific objective 2); |  |  |
| Expected Results | Indicators | Means of verification |
| Social inclusion is enhanced. | Gender gaps in activity, employment and unemployment rates gender pay gap Number of persons from socially or physically disadvantaged groups in employment | Ministry of Labour, Social Protection and Family Annual Report National Bureau of Statistics Reports |
| The percentage of VET graduates in employment or further study after six months is increased. The NEET rate has decreasedInformal employment in total employment rate is decreased. | Percentage of graduates of VET courses finding employment within six months of the completion of their courses; NEET rate; National coalition for digital skills and jobs in place. | Ministry of Education Annual Report European Training Foundation Reports   Relevant MD Ministries, agencies. |
| Enrolment in VET, including continuous training, is increased. | Enrolment in VET: Students in vocational ***programmes*** as a % of total upper secondary students (ISCED level 3); Number of students enrolled in vocational ***programmes*** at the upper secondary level of education (ISCED level 3); Participation in training/lifelong learning (by sex). | Administrative data (e.g from ministries or agencies) or data from the joint UNESCO?OECD?Eurostat (UOE) data collection. European Training Foundation Reports       Labour Force Survey |
| Informal employment in total employment is decreased. | Share of informal employment in total employment | National Bureau of Statistics Reports |
| Improved conditions of work, including health and safety, improved effective application of labour rights. | Nr of inspections (labour law and health and safety at work) Nbr of violations sanctioned Nbr of inspectors Level of alignment of Legal framework with international standards | Ministry of Labour National Bureau of Statistics Reports |
| Specific objective 3:to support innovation and research including fostering research/private sector partnerships; |  |  |
| Expected Results | Indicators | Means of verification |
| Research-industry partnerships are fostered. The diversification of the economy is increased thanks to the growth of innovative sectors. | Number of Horizon 2020 projects with Moldovan partners Progress towards recommendations of the Peer Review of the Research and Innovation System Share of GDP allocated to research and innovation Share of private sector investment in research and innovation | Horizon 2020 Statistics National Bureau of Statistics Reports |
| Specific objective 4:to strengthen the inclusion of disadvantaged groups (including minorities) in mainstream education. |  |  |
| Expected Results | Indicators | Means of verification |
| Inclusion of disadvantaged groups (including minorities) in mainstream education is ensured. | Enrolment rate, academic success rate and drop-out rate of young people disadvantaged groups (including minorities) in mainstream education | Ministry of Education and Science Annual Report |

[1]The ENP review (18.11.2015 JOIN(2015) 50 final) highlighted the stabilisation of neighbouring countries as an important political priority, to be achieved through support to good governance, democracy, human rights and rule of law, economic governance, as well as cooperation on security and on migration and mobility.

[1]A Global Strategy for the European Union’s Foreign And Security Policy

[*https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs\_review\_web\_0.pdf*](https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs_review_web_0.pdf)

**Load-Date:** October 12, 2017

**End of Document**



[***Moody's affirms Oxea B3 CFR, changes the outlook to positive***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PJP-B5X1-F0YC-N3B1-00000-00&context=1516831)

Impact Financial News

September 19, 2017 Tuesday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 1524 words

**Body**

New York City: Moody's Investors Service has issued the following news release:

Moody's Investors Service, ('Moody's') has today affirmed the B3 corporate family rating (CFR) of Luxembourg based oxo chemical ***producer*** Oxea S.àr.l ('Oxea') and the probability of default rating at B3-PD. Moody's also affirmed the B3 rating on the first-lien senior secured credit facility due 2020 borrowed by Oxea's subsidiary Oxea Finance & Cy S.C.A ('OF').

Concurrently, and following the company's announcement of the refinancing of the existing first lien senior secured credit facility, Moody's assigned a provisional (P)B3 rating to the proposed new Euro equivalent 900 million senior secured term facilities to be borrowed by Oxea subsidiaries Oxea Holding Drei GmbH and Oxea Corporation. The outlook on all ratings is changed to positive from negative.

The provisional ratings are assigned pending the completion of the refinancing transaction. Moody's issues provisional ratings in advance of the final sale of securities and these ratings reflect Moody's preliminary credit opinion regarding the transaction only. Upon a conclusive review of the final documentation, as well as the final terms of the transaction, Moody's will endeavour to assign definitive ratings to the new contemplated notes. A definitive rating may differ from a provisional rating.

'The change of Oxea's outlook to positive from negative reflects the company's better than expected operating performance since the start of the year and, moreover, our view that the company should be able to maintain its credit metrics at current levels while undergoing the ***planned*** turnaround of the German Oberhausen plant next year, and to remain free cash flow positive over the next two years, despite the continued investment in Bay City,' says Hubert Allemani a Moody's Vice President -- Senior Analyst and lead analyst for Oxea. 'In addition, the company's liquidity profile will improve once the refinancing is completed, supported by higher amount of revolving credit facilities of €135 million compared to €110 million currently and extension of maturities'.

RATINGS RATIONALE

Moody's expects that Oxea's operational performance will remain solid in the second half of the year, as evidenced by the strong current trading and Moody's expectations that market conditions should remain favorable to the end of the year. This should result in a deleveraging to 5.2x from 7.3x at the end of 2016. Next year should see the company perform a turnaround of its major plant in Germany which Moody's expects will have a limited negative impact on earnings because of lower volumes but expects this to normalise in 2019. From 2019 the company should also benefit from the additional propanol capacity from its Bay City plant.

The rating continues to be supported by Oxea's (1) leading market position as a global merchant ***producer*** of oxo chemicals with a track record of maintaining and growing its market share across a diverse product line; (2) ability to generate solid cash flows through economic cycles; (3) strengthening of the liquidity profile post refinancing and new RCF commitment; (4) growth of the derivatives business, a segment expected to be more stable than intermediates; and (5) supportive shareholder. Moody's views Oman Oil Company (OOC, unrated), as a ***strategic*** owner as evidenced by the strategy to build up capacity in Oman and by the injection of USD325 million in cash in 2015 to repay in full the second lien debt.

However, the CFR is constrained by Oxea's (1) participation in the oversupplied intermediates oxo-market which remains challenging, albeit recovering as capacity additions in Asia over the past few years are being gradually absorbed; (2) competitive pricing pressure, particularly on the intermediates oxo molecules, which has seen high price volatility in the recent year; (3) exposure to cyclical industries and highly variable raw material costs, especially the price of propylene and 4) relatively small size.

LIQUIDITY

Moody's views Oxea's liquidity as good supported by high cash on balance sheet of €114.8 million at the end of June and positive free cash flow generation expected in the region of €30 million this year. The company's liquidity is further supported by the current €110 million revolving credit facility (RCF), undrawn with the exception of €21.2 million long-term guarantees.

As part of the proposed refinancing of the existing first lien term loan, the company is also negotiating a new RCF line of €135 million that will come in substitution to the current one, which will further strengthen the liquidity profile and extend its maturity to 2023 from 2018. Additionally, Oxea has access to dollar and euro currency receivables securitisation facilities maturing in 2020 to support its working capital swings.

RATIONALE FOR POSITIVE OUTLOOK

The positive outlook is underpinned by Moody's expectation that the company will be able to display a resilient financial performance, stable credit metrics from the current base, and deleveraging over the next 24 months.

WHAT COULD CHANGE THE RATING UP/DOWN

The ratings could be upgraded if Oxea (1) Moody's-adjusted debt/EBITDA ratio remains consistently below 6x, and (2) sustains positive free cash flow generation with a free cash flow to debt (FCF/debt) close to 10%.

Downward ratings pressure could occur if (1) Moody's sees a material weakening of the company's operational performance; (2) Oxea's Moody's-adjusted debt/EBITDA ratio would increase to above 7x; (3) Its liquidity profile deteriorates; and (4) the company is free cash flow negative.

The principal methodology used in these ratings was Global Chemical Industry Rating Methodology published in December 2013. Please see the Rating Methodologies page on [*www.moodys.com*](http://www.moodys.com) for a copy of this methodology.

Incorporated in Luxembourg, Oxea S.àr.l (Oxea) is a leading global ***producer*** of oxo intermediates and derivatives with a key product portfolio of oxo chemical products and well-established market positions in Europe, North America, Asia-Pacific, and South America. Oxo chemicals are critical to the production of other chemicals used in a variety of industries such as automotive, construction, industrial goods, consumer and retail, pharmaceuticals, cosmetics, ***agriculture*** and packaging. As of financial year-end December 2016, Oxea reported revenues and EBITDA of EUR1.08 billion and EUR160 million, respectively and on a Moody's-adjusted basis.

LIST OF AFFECTED RATINGS

Assignments:

..Issuer: Oxea Corporation

....Backed Senior Secured Bank Credit Facility, Assigned (P)B3

..Issuer: Oxea Holding Drei GmbH

....Backed Senior Secured Bank Credit Facility, Assigned (P)B3

Affirmations:

..Issuer: OXEA FINANCE & Cy S.C.A

....Backed Senior Secured Bank Credit Facility, Affirmed B3

..Issuer: Oxea S.ar.l

.... Corporate Family Rating, Affirmed B3

.... Probability of Default Rating, Affirmed B3-PD

Outlook Actions:

..Issuer: Oxea Corporation

....Outlook, Assigned Positive

..Issuer: OXEA FINANCE & Cy S.C.A

....Outlook, Changed To Positive From Negative

..Issuer: Oxea Holding Drei GmbH

....Outlook, Assigned Positive

..Issuer: Oxea S.ar.l

....Outlook, Changed To Positive From Negative

REGULATORY DISCLOSURES

For ratings issued on a ***program***, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a ***program*** for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [*www.moodys.com*](http://www.moodys.com)

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see [*www.moodys.com*](http://www.moodys.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

**Load-Date:** September 25, 2017

**End of Document**



[***Business - Foyle Food Group grows turnover £300m***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PJR-4YT1-DYX1-J0T1-00000-00&context=1516831)

The Irish News

September 25, 2017 Monday

Copyright 2017 The Irish News Limited All Rights Reserved



**Section:** Pg. 17

**Length:** 281 words

**Byline:** Gareth McKeown

**Body**

- Derry meat processor Foyle Food Group has reported increases in turnover, profits and staff numbers as the firm continues a long-term investment ***programme***.

The Campsie-headquartered firm has grown its turnover by 3 per cent from £297.2 million to £306.1 million, based on sales which total £284.6 million.

The group and its subsidiaries also posted a substantial increase in pre-tax profit of 36 per cent to £4.1 million for the year ending December 2016.

Total comprehensive income rose by 38 per cent from £3.2 million to £4.4 million in a strong year for the Derry group.

The company results further show that staff numbers increased from 1,007 to 1,033, with the wage bill rising to over £25 million, while both gross and operating profit margins rose marginally over the year.

In the ***strategic*** report accompanying the accounts the directors said they were "pleased" with both the result for the year and the group position at the year end. They further outlined future ***plans*** for growth.

"The Group intends to continue its commitment to capital investment to provide high quality products and services to its customers. There are many challenges facing the ***agricultural*** markets including sourcing supply and the challenge of competitors.

"The Group believes it is well positioned to meet these future challenges and opportunities within this challenging market-place," they said.

The group is wholly owned by the Acheson family and now in its fourth decade.

The business is one of a handful of ***producers*** in Europe with approval to export to the United States.

The firm's parent company is Faughan Limited, which recorded a profit of £2.8 million for the financial year ending December 31 last.

**Load-Date:** September 25, 2017

**End of Document**



[***-Leigh Creek Energy Limited - Pre Commercial Demonstration Stage on target for 2017 operation***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NRR-2MJ1-F0K1-N4JB-00000-00&context=1516831)

ENP Newswire

June 9, 2017 Friday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 1275 words

**Body**

South Australian energy company, Leigh Creek Energy Limited (ASX: LCK) ('LCK' or 'the Company'), is pleased to provide this corporate update and a status report on the Pre Commercial Demonstration Stage (PCD) of the Leigh Creek Energy Project (LCEP).

***STRATEGIC*** UPDATE

LCK recently announced the completion of its staged capital raise which provides the funding for the PCD. As a result: The Operations Team are focused on achieving PCD operations and flaring of syngas at the earliest possible date and The Commercial Team is focussed on developing the prefeasibility studies to identify the preferred pathway to commercialisation.

The prefeasibility studies will be completed several months after flaring, as information from the flaring is essential to enable completion of these studies.

CORPORATE UPDATE

PCD Funding Completed

The Company announced on 30 March 2017 it had successfully completed a staged capital raising of $ 21.85m (before fees) to cornerstone investor, China New Energy Group Ltd (CNE) and sophisticated and professional investors. The first 2 of 3 share placements to CNE settled in advance of due dates; tranche 3 is subject to shareholder vote at an Extraordinary General Meeting to be held in the second half of 2017.

The Company announced on 18 November 2016 its 'Certificate of Advanced Finding' from Innovation Australia, representing a refundable tax offset of 43.5% on anticipated expenditure of $ 21.0m on the PCD. Subsequently (7 February 2017), the Company announced the establishment of a Research and Development working capital facility with the Commonwealth Bank of Australia (CBA). The facility currently has a $ 2m limit, however in the upcoming 2017/18 financial year it is expected that this limit will be significantly increased (subject to approval of CBA).

Together, the acquisition of these funding sources represents a significant de-risking event for the Company and the LCEP, as the PCD is now fully funded. This allows the Company to accelerate development of the PCD throughout the balance of 2017. Consequently, the Company announced (on 18 May 2017) the ordering of long lead items for the PCD.

CNE Visit

In early May, a delegation from CNE visited Adelaide and Leigh Creek and were welcomed to South Australia by the Minister for Mineral Resources and Energy, the Hon Tom Koutsantonis MP, the Shadow Minister for Energy and Mining, Mr Dan van Holst Pellekaan, and the Regulator of oil and gas projects in South Australia.

PROJECT UPDATE

Design work for above ground PCD plant (refer diagram below) has been completed, and an 80% Design Review is nearing completion. The completed design will be issued to the selected fabricator for construction. Contracts for drilling of the Inlet and Outlet wells, fabrication of above ground plant and associated surface works will be awarded shortly.

As previously announced on 18 May 2017, the Thermal Oxidiser and Cold Vent, and the Gas Analyser and Gas instruments packages have been let to specialist firms Gasco and ABB Australia respectively. The ongoing work on environmental assessments and regulatory approvals continues. The ***program*** to complete drilling of groundwater and pressure baseline monitoring wells is nearing completion. Data from these wells will be analysed to complete the conceptual model for environmental baseline characterisation. Additional groundwater and pressure monitoring wells will be installed surrounding the selected PCD site.

REGULATORY APPROVALS

It is important to understand the South Australian regulatory environment. South Australia's petroleum regulator is highly ranked against other states and countries as an attractive jurisdiction by the internationally recognised Fraser Institute Global Petroleum Survey, which analyses the regulation of oil and gas exploration and production around the world every year.

South Australia's Petroleum and Geothermal Energy Act 2000 (PGE) embraces six key principles of certainty, openness, transparency, flexibility, practicality and efficiency and establishes the efficient and objective regulatory process for the LCEP. The 'one-stop shop' approach in South Australia considers approvals on a case-by-case basis whereby risks are identified and managed down to as low as reasonably practical.

The approach of the South Australian government has been clearly and publicly enunciated on a number of occasions. For example, speaking on the topic of South Australia's regulatory framework, the Minister for Mineral Resources and Energy, The Hon Tom Koutsantonis MP, has stated:

' the Leigh Creek project remained subject to rigorous environmental impact assessments before it could progress further' and 'We have a very effective regulatory framework in SA and the merits of the LCK project will be assessed against that framework, not a political decision .' (The Advertiser, 29 April 2016) and 'I strongly believe that the approval or otherwise of gas exploration and extraction projects should be left to independent experts, rather than to politicians. We have the best regulatory systems in the world in this country and those systems should be trusted to protect the environment, the ***agriculture*** industry and communities' (InDaily, 30 August 2016).

LCK continues to progress its ***programme*** of work required in order to gain regulatory approval. In addition to operational ***planning*** and environmental assessment, a significant part of the work ***programme*** involves community engagement efforts. LCK continues to be committed to respectful and transparent communications, and aims to have informed discussions and proactively work with all stakeholders. In accordance with the PGE Act, LCK is completing preparation of the Environmental Impact Report and Statement of Environmental Objectives, which form a critical part of its approval application for the construction and operation of the PCD.

SUMMARY

With funding for the PCD secured, the driving focus of the LCK Operations Team is towards flaring in the fourth quarter of 2017. The project is accelerating rapidly.

Commenting on the announcement Mr. Phil Staveley (Chief Executive Officer, LCK) said: 'This is an exciting time for LCK. With the support of CNE and other investors during the recent capital raise, we are now able to focus on moving forward with our ***plans*** to achieve flaring in 2017. This event is widely anticipated by not only current and future investors, but the wider community having an interest in seeing this project be successful in delivering a major sustainable and commercially successful energy source in the near future'.

Contact:

Andrew Harrington

Corporate Development Manager

Leigh Creek Energy Limited

Tel: +61 421 583 344

Email: [*andrew.harrington@lcke.com.au*](mailto:andrew.harrington@lcke.com.au)

About Leigh Creek Energy

Leigh Creek Energy Limited (LCK) is an emerging gas company focused on developing its Leigh Creek Energy Project (LCEP), located in South Australia. The LCEP will ***produce*** high value products such as electricity, methane and ammonium nitrate products (fertiliser and industrial explosives) from the remnant coal resources at Leigh Creek, utilising In Situ Gasification (ISG) technologies, and will provide long term growth and opportunities to the communities of the northern Flinders Ranges and South Australia. The Company is committed to developing the LCEP using a best practice approach to mitigate the technical, environmental and financial project risks. Leigh Creek Energy acknowledges and respects the Adnyamathanha people, the Traditional Owners of the land on which its operations occur and pay our respects to their Elders past and present.

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** June 9, 2017

**End of Document**



[***Washington: EXECUTIVE CALENDAR***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RCR-XKM1-F0YC-N05V-00000-00&context=1516831)

Impact News Service

January 10, 2018 Wednesday

Copyright 2018 Impact Media Limited All Rights Reserved



**Length:** 16610 words

**Body**

Washington: The Library of Congress, The Government Washington: of USA has issued the following house proceeding:

 The PRESIDING OFFICER. The clerk will report the nomination. The senior assistant legislative clerk read the nomination of Thomas Lee Robinson Parker, of Tennessee, to be United States District Judge for the Western District of Tennessee. The PRESIDING OFFICER. The Senator from Utah. Tribute to Chris Campbell Mr. HATCH. Mr. President, I rise to pay tribute to a trio of excellent staffers, all of whom served with distinction on the Senate Finance Committee for a number of years and who recently left the committee to pursue other ventures.

First, Mr. President, I would like to say a few words about Chris Campbell, a longtime friend and trusted adviser, who until recently served as the Republican staff director on the committee. Last summer, he was nominated and confirmed to serve as Assistant Secretary of the Treasury for Financial Institutions. I have known Chris for more than 17 years, and I cannot overstate his importance and contributions to my years of work here in the Senate. Chris joined my campaign for President back in 2000, where I immediately recognized his talent and leadership abilities and appointed him to be my national field director, although he was relatively young and inexperienced at the time. Needless to say, I don't blame Chris for how that particular campaign turned out. In fact, that same year, I asked him to serve as director for my Senate reelection campaign, which thankfully met with much better results. After that, he came to Washington to serve on my staff on the Senate Judiciary Committee. [[Page S90]] I have long urged my staffers to get as much education as possible to enhance their understanding and gain new perspectives. I nagged Chris about this during my Presidential campaign. Eventually, after working on my staff for a few years, he wanted to upgrade his bachelor's degree in political science from the University of California at Santa Barbara with an MBA from the Thunderbird School of Global Management. A short time after receiving his MBA and a brief stint in the private sector, Chris desired to return to public service, and when he returned to Washington, I hired him back without hesitation and asked him to serve as my legislative director, a post he held until 2011 when I took over as the lead Republican on the Finance Committee and appointed him to be the staff director. During his time on the committee staff, Chris quarterbacked every major effort we undertook. This includes successes like the approval of free-trade agreements, the bipartisan renewal of trade promotion authority and the modernization of U.S trade laws, the repeal and replacement of the Medicare sustainable growth rate, and the long-term funding of the Federal highway trust fund, just to name a few. Of course, his work on the long-term tax reform effort was invaluable. We began our work on tax reform right out of the gate in 2011 and worked with Chairman Baucus and others to drive it forward. Chris was a key part of all of the work we did over the years to advance tax reform. While his move to Treasury came just before the final stages of that effort, I was fortunately able to benefit from his continued advice and counsel as we moved closer to and eventually crossed the finish line. Chris is a shrewd but effective negotiator and a brilliant legislative strategist. Congressional Quarterly named him one of the seven most influential non-elected people working in Congress, and Roll Call put him on its list of the 50 most influential staffers on Capitol Hill for 7 straight years. Clearly, I am not the only one who recognizes his abilities. I know the other members of the Finance Committee--on both sides of the aisle--have also acknowledged and benefited from his years of work. Still, even with all of his accomplishments, what stands out most to me about Chris Campbell is his life story. He is a great example of how hard work and education can help a person become much more than what some statistician might predict. Chris grew up in Hemet, CA, as one of six children who struggled--and that is putting it lightly--to make ends meet. He didn't grow up with family connections or powerful benefactors, but thanks to his diligence and determination and no shortage of natural ability, he became one of the most effective and influential staffers on Capitol Hill, and he now serves in a key leadership role in the administration. While it pained me to see him head off to Treasury, I have been comforted to know that the President knows how to pick the best people and that the Department of the Treasury is being well served. I personally want to thank Chris for his years in working with me, for his candid and thoughtful advice, and for his commitment to public service. I wish him all the best in his future endeavors, which I am quite sure will be just as successful as his time here. Tribute to Becky Shipp Mr. President, I would like to say a few words about another former staffer, Becky Shipp, who also left the Finance Committee staff a few months ago to pursue another venture. While I have known Becky for more years than either she or I would like to count, I can tell you that she served tirelessly on the Senate Finance Committee for more than 10 years. She saw chairmen come and go and was an institution here in her own right. In my time on the Hill, I have come to know many different staffers, all of whom got involved in the government for all types of well- meaning and patriotic reasons. They each have some expertise, some interest, and some motivation that helps them get through the hard times that staff encounter with the stressful conditions and the below- market pay. I have long said that Senators and staff take on sacred obligations when we come to work here, and I cannot think of many who have taken that sacred obligation to heart more than Becky Shipp. She spent her time in Congress working on welfare and human resource issues. Her dedication and zealousness in defending the less fortunate should serve as an example to all of us. While issues surrounding child welfare, child and family services, and foster care ***programs*** are often overlooked, anyone in Washington who knows anything about these issues knows that Becky has played a singular role in the creation and preservation of the safety net we now have in place. Too often, welfare issues become bitterly partisan, but during Becky's time here, she always strove to find common ground no matter the personal sacrifice. Her time on the Hill was extremely productive and impacted far more children and families than most any of us could probably ever count. Still, it was not without moments that, when looking back, seemed pretty lighthearted. One such moment came just a few years ago after many in Congress had become aware of the fact that welfare funds distributed through electronic bank transfers had been used by some to purchase alcohol, food, or other illicit items from strip clubs and other less than savory establishments. Becky quietly began developing a proposal to prevent this type of abuse. Eventually, her idea gained more traction than she thought it would initially. Once members of the Finance Committee and in the House began to realize the nature of this problem, her proposal caught on like wildfire. The problem was that the Social Security Act did not have a definition for these establishments. After quite a bit of wrangling and putting herself in the shoes of some of the more seedy clientele and business owners, Becky developed a definition, more or less, from scratch. Specifically, the bill, now a Federal statute, prohibited the distribution of Federal welfare funds at ``any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.'' Now, many have chuckled at the specificity of that definition and at the fact that someone, somewhere had to come up with and write down that type of legal terminology, but Becky was not playing a joke or trying to be facetious; she was addressing a legitimate concern. That story, to me, epitomizes the type of person Becky Shipp is and the type of congressional staffer she was when she worked in the Senate. I am quite certain that, even in her new endeavors, Becky will remain committed to promoting the same type of no-nonsense, proper governance, with an equal eye toward helping those in need to find meaningful work, care, and assistance. While Becky's work ethic, persistence, and friendliness have already been missed on the Finance Committee, I am quite certain that she will continue to do many great things and help many more people. I personally thank Becky for her years of service and for all that she has done for me, for others in the Senate, and for those in our country who have been in need of a helping hand. Tribute to Preston Rutledge Finally, Mr. President, I want to say a few words about Preston Rutledge, my former tax counsel who was recently nominated and confirmed to serve as Assistant Secretary of Labor for the Employee Benefits Security Administration. Preston began his career in public service as a teenager when he worked in the national forests. Later, he served honorably as an officer in the U.S Navy. After graduating from law school, he was a law clerk on the Fifth Circuit of the U.S Court of Appeals and spent more than a decade working at the IRS, focusing on tax-exempt organizations and employee benefits. He came to the Finance Committee about 7 years ago. During that time, he worked on a number of issues that many people, quite frankly, consider to be tedious or mundane, but Preston is an expert on these issues, and he has always taken great pleasure in the issues and work before him. As a staffer, Preston was, more than anything, committed to advancing reforms to our Nation's pension and savings ***programs*** in order to ensure a stable and reliable retirement savings system. Toward that end, he was a lead [[Page S91]] staffer in the drafting and passage of key pieces of pension and savings legislation, including the Retirement Enhancement and Savings Act, which provided a number of key reforms to our Nation's retirement savings system, and the ABLE Act, which provided savings enhancements for children with disabilities and their families. Preston's knowledge of tax policy and ERISA issues is unsurpassed. I was not the only one to benefit from and rely upon his expertise. Indeed, the entire Finance Committee relied on Preston whenever these types of issues came up because, once again, there just aren't many people in Washington with that particular focus and expertise. I wish Preston good luck in his new position at the Labor Department and thank him for the work he performed on the committee. I am confident his expertise, as well as his open-minded and inclusive approach, will help improve the situations of workers and families across the country. I can think of no one more capable to serve in this important capacity. As you can see, I have been fortunate to have worked with some excellent staffers in recent years--well, really throughout my whole service in the Senate. That has been true of my entire time at the Senate. Of course, I have many great staffers still working in the Senate, both in the Finance Committee and in my personal office. I am grateful for each of them as well. I am very fortunate to have them with me as we have some important work ahead of us. The Finance Committee's current workload is, quite honestly, mind- boggling. There is much to do over the next several months. I will have more to say on that in the coming days. For now, I will simply say, I look forward to working with my colleagues and staff on the vitally important tasks that lie ahead. With that, I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. SANDERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER (Mr. Flake). Without objection, it is so ordered. DACA Mr. SANDERS. Mr. President, I rise today to speak on behalf of nearly 800,000 Dreamers, young people who were brought to this country as children who today are living in fear and uncertainty. As a result of the Trump administration's decision to end the DACA ***Program***, these young people are at risk of losing their legal status and, in fact, face deportation from the only home that most of them have ever known, and that home is the United States of America. This is one of the great moral issues of our time, and it is an issue that must be dealt with now as part of the budget negotiations. It cannot be kicked down the road any longer. We must pass the Dream Act now as part of the current budget negotiations. In the last 6 years since the DACA ***Program*** was established, these young people--again, people who were brought to this country as infants, in many cases--were finally able to breathe a sigh of relief. For the first time in their lives, they could walk the streets of this country without fear, without worrying about being arrested, without worrying about being deported. Think about what it means to live in this country every single day knowing that, at any moment, you could be arrested or deported. What DACA finally did is to give these 800,000 young people a legal status and a protection so they could go out and work, so they could go to school, and so they could serve in the U.S military without fear. As we all know, tragically, on September 5, 2017, President Trump announced the end of the DACA ***Program*** through Executive order. President Obama had established it through Executive order, and President Trump ended it through Executive order. In his announcement, President Trump noted: I look forward to working with Republicans and Democrats in Congress to finally address all of these issues. As I have said before, we will resolve the DACA issue with heart and compassion, but through the lawful democratic process. It is now time for Congress to act. That is Donald Trump. The President was right. It is time for Congress to act. It is time for Congress to not kick the can down the road. Our Republican President, Mr. Trump, told the Republican-led Congress to get to work on a DACA fix, and I say today to the Republican leadership: Let's do it. Let's do it now. That is what President Trump asked you to do. Listen to him, and let's do it--not next month, not in March, but right now--as part of the budget agreement. People are working on this issue now. We can come to a consensus. We can pass the Dream Act if there is a political will to do it. Let us also be very clear. Despite what some have said, this is an urgent matter that must be addressed now. Since President Trump rescinded the DACA ***Program*** in September, more than 15,000 Dreamers have already lost their DACA status and are now subject to deportation. Each day the Congress does not act, 122 people lose their DACA protections, and 851 people each and every week. This is a matter of urgency, and we have to act accordingly. But I want to assure my Republican colleagues that not only is this the right thing to do from a moral perspective and from an economic perspective, but it is also exactly what the American people want. Nobody here is asking anybody in the Senate to rise up and to be extraordinarily brave and courageous. Why don't you just do what the American people want us to do? No profiles in courage are needed now. Poll after poll has shown that the overwhelming majority of the American people want to provide legal status to the Dreamers and to protect them from deportation. From a political perspective, this is not a difficult decision. A Washington Post-ABC poll from September 2017, a few months ago, found that 86 percent of Americans support allowing Dreamers to stay in the United States. So 86 percent of the American people support providing legal status to Dreamers. This is not a tough political decision. Another recent poll conducted by Quinnipiac found that 77 percent of voters and 65 percent of Republicans support legislation to protect Dreamers and provide them an opportunity to work, to go to school, and to pursue a pathway to citizenship. Another poll conducted by CNN last month found that by an 83-percent to 13-percent margin, Americans support efforts to allow Dreamers to remain in the United States instead of facing potential deportation. Only 15 percent believed that Dreamers should be deported. Passing the Dream Act is also in our national security interests. Former Secretary of Defense Robert Gates recently noted: The United States faces extraordinary security challenges that are placing growing pressure on our Armed Forces. That is why we need legislation that will provide a pathway to citizenship for those immigrants who, among other attributes, are serving or have served in the military, whether they are in America legally or were brought here illegally as children. That is former Secretary of Defense Robert Gates. In addition, just last week three former Secretaries of Homeland Security wrote to House and Senate leadership expressing both their strong support for a DACA fix and for the urgency of acting now. Secretaries Chertoff, Napolitano, and Johnson warned of the need for Congress to act immediately and emphasized how the agency needs time to implement a new ***program***. Without it, they caution that the delay will sow uncertainty in the business community and drive undocumented individuals further into the shadows, with immediate deportation looming for tens of thousands every single month. Let us be very clear that when we talk about the DACA ***Program*** and when we talk about these young people receiving legal status, these young people are vetted, they pay a fee, and the vast majority of them are now at jobs important to our economy. They are in school or they are in the military. In order to get DACA status, they could not be convicted of a felony or a significant misdemeanor or pose a threat to national security or public safety. As almost everybody recognizes, these [[Page S92]] are fine young people whom we should be very proud of and should not be talking about deporting them. DACA gave these young people a shot at the American dream, and having been given that opportunity, they seized it and they are excelling and contributing to our country--to their country--in so many ways. With 91 percent of DACA recipients in the workforce, they play an important role in our economy. Many hundreds of Dreamers have taken up the call to serve in our Armed Forces. Can my colleagues imagine a young Dreamer now serving in the Armed Forces, putting his or her life on the line to defend this country, and then reading about Members of Congress who think we should deport them? How outrageous is that? Furthermore, there are some 20,000 DACA recipients who are currently teaching in our schools. We desperately need good teachers, and 20,000 DACA recipients are doing just that. Yet, because of President Trump's cruel decision to rescind the DACA ***Program***, as well as the Republican-controlled Congress's failure to act, these young people's lives and livelihoods have been thrown into chaos and uncertainty. It is our job to enact a legislative fix now. The President has called for a fix. The vast majority of the people of this country want to see a fix. A fix is important to our national security. It is the right thing to do. Let us do it. I am, however, very concerned that President Trump is using the 800,000 Dreamers as a bargaining chip to force the taxpayers of this country to pay for an $18 billion wall. Now, some may remember that during his campaign for President, Donald Trump told the American people that it was the Mexican Government that would be paying for the wall. Well, it turns out that it didn't quite work out that way, and now it is the taxpayers of this country who are supposed to pay for a wall. Let me be as clear as I can be. We cannot and we must not hold the lives of 800,000 young Dreamers hostage in order to fund a wall that the vast majority of the American people oppose. We cannot and we must not allow Donald Trump to shut down the government to fund this wall, but that, it appears, may very well be--for whatever reason--what Donald Trump wants. Let me remind my colleagues what Donald Trump said last August at a rally in Arizona, the Presiding Officer's home State: ``Believe me, if we have to close down our government, we're building that wall.'' August 22, 2017, Donald J. Trump. Now, I do not know why Donald Trump may be pushing for a government shutdown. Maybe he thinks it will work well for him or work well for the Republican Party politically. I have no idea, but I do know that the idea of a government shutdown is a very bad idea. Maybe Republicans will gain from it, maybe Democrats will politically gain from it. I do not have a clue. What I do know is, the American people will lose from a government shutdown, and, in a bipartisan manner, we must do everything we can to prevent that shutdown. A shutdown would harm tens of millions of Americans who would be unable to access vital government services; it would disrupt the lives of hundreds of thousands, or more, Federal employees who depend upon a check to provide for their families; and, in fact, it would endanger members of the U.S military who are putting their lives on the line to defend our country. The U.S Congress has a responsibility to the American people to prevent a government shutdown and to work in a bipartisan manner to reach a budget agreement that is fair and that addresses the very serious problems facing not only DACA recipients but the working people of our country. So I say to my Republican colleagues, you control the White House, you control the U.S House, and you control the U.S Senate. You have a responsibility to govern. For President Trump and the Republican leadership to allow DACA to expire without a new ***program*** in place is not only a failure to govern, it is an act of extraordinary cruelty. We know President Trump wants to build a wall, I guess somewhat like the Great Wall of China. The problem is, building walls may have made sense in the 14th century, but I would inform the President that technology has somewhat changed since then, and our job is to provide strong border security in the most cost-effective way we can, and that way is not building a wall. Ironically, while the President wants to spend $18 billion to build a wall, he is taking money away from other far more important and effective border security measures. Let me quote from an article that appeared in today's New York Times: The Trump administration would cut or delay funding for border surveillance, radar technology, patrol boats and customs agents in its upcoming spending ***plan*** to curb illegal immigration--all proven security measures that officials and experts have said are more effective than building a wall along the Mexican border. The wall also has become a bargaining chip in negotiations with Congress as lawmakers seek to prevent nearly 800,000 young undocumented immigrants from being deported. But security experts said the president's focus on a border wall ignores the constantly evolving nature of terrorism immigration and drug trafficking. In other words, if we want strong border security, if we want to keep people out of this country who should not be coming into this country, if we want to keep drugs out of this country, building a wall is not the most cost-effective way. It may have been a great idea in the 14th century in China when they built their Great Wall, but it is not a great idea in 2018, in the United States of America. So let me just conclude by saying, we are at a very important moment in history. If we do not do the right thing, if we do not do the moral thing, if we allow some 800,000 young people--people who have spent virtually their entire lives in this country, who know no other country, who see the United States of America as their home--if we betray them, if we take away their legal status, if we allow them to be deported, this will be a moral stain on this country that will never ever be wiped out. I yield the floor. The PRESIDING OFFICER. The Senator from Indiana. Healthcare Mr. DONNELLY. Mr. President, for the past decade, health policy, unfortunately, has proven to be one of the most bitterly partisan issues. It doesn't have to be this way. I want to take a few minutes to discuss some health-related issues that Congress left unfinished before the holidays: providing relief from the medical device tax, reauthorizing the Children's Health Insurance ***Program***, funding for community health centers, and doing more to address the opioid crisis. Each has strong bipartisan support and could provide help to our constituents now. First, many of us, on both sides of the aisle, agree on the need to provide relief from the medical device tax, which went back into effect on January 1. The medical device tax is one of these issues that leaves most Hoosiers scratching their heads. First adopted as part of the Affordable Care Act, the device tax was one of the few issues Republicans and Democrats agreed needed to be fixed, and in 2015, with bipartisan support, President Obama enacted a 2-year suspension of the tax. The argument was really pretty simple. The medical device tax was making it harder for innovative companies to invest in the research and development of new technologies, and, in the process, we were stifling job creation. If there was a question as to whether this was the case, the last 2 years provided evidence. When we agreed to suspend the tax in 2016 and 2017, manufacturers used that additional money to hire new workers, invest in research and technologies, and continue ***producing*** innovative, lifesaving products in the United States. For example, Zimmer Biomet, headquartered in Warsaw, IN, my home State, used the money from the device tax suspension to invest in new innovation to improve musculoskeletal health across the world. They were also able to upgrade their manufacturing equipment and facilities. Perhaps more importantly, these investments not only supported existing jobs, but they also helped to create new jobs--new, good-paying jobs. Yet, despite this evidence, despite this strong bipartisan support for repeal, and despite a wide-ranging package of changes to the Tax Code becoming law in recent days, Congress has failed to address the medical device [[Page S93]] tax, which went back into place on January 1. As we again discuss the policy priorities that were left unaddressed in 2017, I strongly urge my colleagues to work with me to quickly and meaningfully address the medical device tax. This would allow these innovative companies to make the long-term investments that not only lead to life-changing technologies but support thousands of high-paying jobs across the country, including in my home State of Indiana. Another issue that has garnered bipartisan support is a healthcare ***program*** that covers millions of our children. We must reauthorize the Children's Health Insurance ***Program***--also known as CHIP--that expired in September. I have long supported the CHIP ***program***. It provides health coverage for millions of kids, including nearly 115,000 children from Indiana. I am not alone in my support for this ***program***. The fact is, CHIP has had strong bipartisan support for the past 20 years, and Democrats and Republicans in both the Senate and the House have shown they support a 5-year reauthorization of the ***program***. That gives States the certainty they need to ***plan*** their budgets and provide high-quality care to these children. Despite this shared commitment for the ***program*** and agreement on the need for a long-term reauthorization, we were only able to fund the ***program*** through March before Congress departed for the holidays. This short-term extension bought some time, but according to the Centers for Medicare and Medicaid Services--CMS--some States will start running out of money after January 19. This means families and States will very soon face the harmful consequences of congressional inaction. Just last week, the Congressional Budget Office said that funding the CHIP ***program*** for the next 5 years will cost significantly less than previous estimates. This ***program*** is vital to our families and vital to our children. We should reauthorize the CHIP ***program*** right away. Like the CHIP ***program***, community health centers have enjoyed long bipartisan support for the high-quality care they provide to our families. Also, like CHIP, the funding for community health centers expired on September 30, leaving many health centers across Indiana worried about if they will have the resources they need to continue to serve Hoosiers. We have the ability to work together now to ensure that our community health centers can continue to provide cost-effective, high-quality healthcare to people all across the country. Finally, we have demonstrated a common desire to address the needs of the opioid and drug abuse crisis. It is a scourge. It took the lives of 63,000 people just in 2016--63,000 of our brothers and sisters, our husbands and wives, our sons and daughters. It is a heartbreak that is crushing the entire country. I welcomed President Trump's declaration of a public health emergency, and both Republican and Democratic Senators have highlighted the need for Congress to do even more to help those struggling with addiction. Like many other States, the opioid epidemic has been particularly devastating in underserved areas in Indiana that lack adequate treatment providers. Senator Murkowski and I have partnered on a bipartisan bill that would encourage addiction treatment professionals to serve in underserved areas by making addiction treatment facilities eligible for National Health Service Corps student loan repayment and forgiveness. We can show our commitment to increasing access to treatment by reauthorizing the National Health Service Corps ***program***, which expired in September. We also must recognize that a meaningful response to the opioid crisis will require robust and meaningful funding to help our communities as soon as possible. I have often said that most people think Congress can do something to help make life better--to provide working parents with the peace of mind that their children can grow up healthy and to instill confidence in our communities so that they will have the tools they need to respond to this heartbreaking crisis. At the very least, Congress should not make this situation worse. By failing to take action in 2017, medical device companies are once again paying a counterproductive tax that inhibits growth in Indiana. On all of these issues--medical device taxes, our families and our children and this opioid crisis, community health centers--we can work together as Democrats, as Republicans, but more than either of those, as Americans to make sure that our families can get decent healthcare, to make sure that no one else dies because of this terrible opioid scourge we are dealing with. These are critically important issues. These are issues that know no political party, that know no special agenda. What we do know is that we need this Congress, this Senate, to deal with them now. Mr. President, I yield back. The PRESIDING OFFICER (Mr. Johnson). The Senator from North Dakota. Congratulating the North Dakota State University Bison Football Team for Winning the FCS National Championship Mr. HOEVEN. Mr. President, I will be subbmitting a resolution in the U.S Senate honoring the North Dakota State University Bison football team, who just won their sixth national championship in 7 years. Mr. President, I know you are a football fan, so you can truly appreciate what a fantastic achievement that is. What NDSU has accomplished over the last 7 seasons is absolutely extraordinary. With our victory on Saturday, the Bison have now won six national football championship series division I national titles in 7 years. That ties them for the most of all time. Also, in each of the past 7 years, they have won or shared the top spot in the Missouri Valley Football Conference championship. We also want to congratulate the James Madison University Dukes on an outstanding year. We had five championships in a row. The Dukes managed to beat us last year in a semifinal game, and we came back and avenged that loss in a thrilling championship game in Frisco, TX. It went down

to the final play. It was a very, very exciting game. Winning a national championship is not easy, and this success, reflected both on and off the field, is earned through hard work and dedication. We recognize and congratulate all of the incredible players and Coach Klieman and his tremendous coaching staff, who put in countless hours of practice and preparation. We also recognize the importance of good leadership from athletic director Matt Larsen, NDSU president Dean Bresciani, and everyone at NDSU, all the coaches and the staff, team members, and really everybody who is part of Bison Nation. North Dakotans travel with our team. They show up in Bison Nation, and their cheering and supporting our great team is a huge part of our incredible victories. We congratulate Easton Stick, the quarterback, for achieving MVP honors and leading a tremendous offensive effort by the Bison and also Nick DeLuca, middle linebacker, for leading an incredible defensive effort. These were two tremendous defenses--James Madison and North Dakota State Bison--fast, strong, and it was a thrilling game and fun to watch. I want to compliment James Madison not only on their ***program*** but on all their fans and supporters--a real class act. I am very impressed with James Madison University--their students, their team, and all of their alumni, who also turned out in force for what was a tremendous game in Frisco, TX. With that, I submit this resolution to the U.S Senate honoring the North Dakota State Bison. Mr. President, I have just one other thing to say: Go Bison. With that, I yield the floor. Mr. MORAN. Mr. President, I ask unanimous consent to speak as in morning business. The PRESIDING OFFICER. Without objection, it is so ordered. American Farm Bureau Federation Convention and NAFTA Mr. MORAN. Mr. President, I was fortunate enough this week to attend the American Farm Bureau Federation's annual convention in Nashville, where I had the opportunity to headline a discussion of the farm bill, along with my colleague from Kansas on the [[Page S94]] Senate Ag Committee and the gentleman from Texas, Congressman Conaway, who is leading on the House ***Agriculture*** Committee, during the President's commodity meeting. The American Farm Bureau hosted other farm groups and commodity organizations from across the country to talk about the next farm bill and to try to bring consensus as to what ***agriculture*** is looking for in farm policy. In my opportunity to visit with people at the Farm Bureau's annual meeting, in my remarks, I paid particular attention to the farm bill. It is a farm safety net. When we talk about a farm bill, I suppose we ought to highlight that only a small portion of the farm bill is actually related to farm ***programs***. There are a number of titles to the farm bill, and most of the money in a farm bill is spent on nutrition ***programs*** and mostly SNAP, but there are other important components of a farm bill--rural development and conservation. In addition to that topic, which I have been on the Senate floor speaking about before, are food aid and support for those who are experiencing famine around the globe. My opportunity to be with farmers and ranchers from across the country gave me an opportunity to not only speak about my views as to what a farm bill should contain but, more importantly, for me to hear what they had to say that was important to them. Farm Bureau members from across the country made it clear to me, first of all, that they would like to see Congress--Republicans and Democrats in the House and the Senate--and the administration work together in a bipartisan fashion to get a farm bill done and, prior to that, to get a disaster relief bill completed, which I hope we will do yet this month on the Senate floor--both the disaster bill that needs to get to the President's desk as soon as possible and also a farm bill that needs to be completed in a timely fashion. The current farm bill under which we are operating expires in 2018. Of the things I want to highlight that I heard from Farm Bureau members while I was there is certainly the importance of crop insurance and the value it provides, particularly for those of us who live and farm and work in places where the weather is not often our friend, as well as just the challenges the current farm bill is creating in Kansas. Particularly, the safety net ***programs*** PLC and ARC don't work as well as they should or could. Part of that has to do with timeliness, and part is the inability and the difficulty in farmers having to choose between two ***programs*** and to predict for a long period--the life of the farm bill--which makes the most sense to them economically. Whether they are going to have high prices, low prices, good weather, or bad weather is a hard thing to know in the life of a farm bill. Again, because of the issues we have with the current farm bill, timeliness is important because those provisions that are less than satisfactory today will be extended if we aren't successful in completing a farm bill this year. While the topic of conversation generally revolved around the farm bill, I want to indicate to my colleagues that so much of what I heard was about trade, particularly about NAFTA. The reality is, 98 to 99 percent of the mouths to feed are outside of the United States. Farmers and ranchers earn their livings by feeding a hungry world, and exports matter to us. There was a lot of concern expressed to me and among the farmers and ranchers who were gathered there about the potential of the withdrawal by the United States from NAFTA. Kansas is a good example. Our largest importer--the place to which we export the most ***agricultural*** commodities--is Mexico. It is not just about commodities. In addition to the commodities, there are manufacturing jobs related to food and food products. There are 36,000 jobs that generate more than $5.7 billion in economic activity, and approximately 14 percent of all jobs and 10 percent of all manufacturing jobs are tied to the food and ***agricultural*** sectors. So, when we talk about trade and exports, we are not just talking about shipping a ton of wheat or a carload of wheat to another country; we are also talking about all of the jobs here in the United States. It is not just in growing commodities and not just in raising cattle but all of the jobs that come from taking those commodities, turning them into food, and exporting the food to other countries as well. I have had this conversation with people within the administration and with my colleagues in the U.S Senate. I do believe the tax bill we passed will improve the economy and that farmers, lots of other business men and women, manufacturers, and others will experience greater economic opportunity as a result of the passage of the tax bill. I would highlight that the tax rates are a lot less important if we don't have income. If something would happen in which we would not be exporting--for example, if there would be a withdrawal from NAFTA-- the outcome could be that the tax rates would become semi-irrelevant because the income levels of farmers and ranchers and those who would have jobs in the food sector would be significantly diminished. Less income means tax rates don't matter as much as they otherwise would. Things are really difficult in ***agriculture*** today. Commodity prices are at low prices historically. The challenges are great. Weather, as I said earlier when speaking about crop insurance, is not always our friend. Across Kansas, the plea is for rain or snowfall or moisture. It is dry statewide. The challenges the ***producers*** in my State but really those across the country face are low commodity prices and weather, which are significant. What that means is, we need every additional market. We cannot afford to lose any market to which we sell those commodities. More markets mean higher prices, and more demand means higher prices. Today, we need every penny we can gain on a bushel of corn or wheat or soybeans or grain sorghum. We need to make certain we don't lose markets but that we gain markets. I commend the President for traveling to Nashville and speaking and meeting with the American Farm Bureau. I believe it has been 30-plus years since a President attended a Farm Bureau annual convention. I know, in my own experience both in the House and the Senate, reporters have often asked me to analyze what I have heard or haven't heard in a President's State of the Union Address. It has always been my practice to listen to a State of the Union Address and hear whether a President speaks about ***agriculture***, about farmers, about ranchers, about rural America. Here we had a President who traveled to Nashville and spent time with those farmers and ranchers of America, and I am pleased the President did so. I continue to encourage the administration to remain mindful of the role ***agricultural*** trade plays in our economy. I would indicate that our withdrawal from NAFTA is a high-risk strategy--a negotiating tactic, perhaps. It is true we have the highest quality of ***agriculture*** products available in the world, but other countries are very interested in taking our markets, and any indication that our markets are not going to continue gives countries like Argentina, Brazil, and others the opportunity to make the case that they will be stable suppliers. The things we raise in the United States they can sell and provide in those countries as well. My point is, we don't have a corner on the market, and any suggestion that we are not a stable supplier or that the trading relationship is going to diminish or disappear between two countries means that others are eagerly seeking to take those markets away from us. Given the impact on our Nation's economy, I urge those conference attendees, those people I visited with in Nashville, to continue to convey to all of those policymakers the importance of trade and the importance of trade agreements. The administration has a desire to develop bilateral as compared to multilateral trade agreements, and I encourage those negotiations to be ongoing today. We don't have any time to waste when it comes to finding new markets and trading relationships with other countries. Again, I appreciate the President traveling to Nashville and spending time with farmers and ranchers, and I appreciate the agenda he outlined in regard to regulatory relief, as well as the issue of broadband, on which the President spent a significant amount of time, providing technology to a part of [[Page S95]] the country that has, in many instances, been lacking or woefully inadequate. But the bottom line is that rural America needs income. We can do lots of things to improve the quality of life in rural America, but in the absence of farmer success, in the absence of a farmer and rancher earning a living, the ability to attract our children or others to come back to the farm and the ability to retain our young people in the community to work on a farm diminishes greatly. One of the questions I received was from a young lady studying in Texas, and this was her question: What are you doing to make certain that young people have a chance to be farmers? While my answer was less than perfect--it is a hard one to answer--it is an important question. The reality is that the chances of young people having the opportunity in ***agriculture*** to earn a living is totally dependent upon the economic success of those individuals in ***agriculture*** today and what the future holds. We can find a few ***programs*** that might encourage young people to be able to enter ***agriculture*** as a profession and as a career, but the reality is that it will only work when they are earning a good living, and that comes, once again, from the safety nets, including crop insurance, which will be included in a farm bill as it works its way through Congress this year, but also in the opportunity to see that every market around the globe is available to the U.S farmer and rancher so that he and she will earn a living and so that they will increase the chances that their sons and daughters have the opportunity to work side by side with them into the future. I especially want to thank a few people from the American Farm Bureau Federation for allowing me to attend and inviting me to attend and to speak--certainly, President Zippy Duvall, the president of the American Farm Bureau Federation, from Georgia; Dale Moore, a Kansan who is at the American Farm Bureau Federation; and Mary Kay Thatcher, their long- time government affairs person. All of those individuals at the American Farm Bureau Federation do their job so well, but I especially want to acknowledge the friendship and support of those three individuals. I am reminded that no matter where we go, farmers and ranchers have a lot in common. In addition to their economic importance to communities across Kansas and around rural America, it is farmers and ranchers that still today provide a sense of what is right in America--an understanding of right and wrong, an understanding of the value of life, integrity, character, and values. It is something that is important not just to rural America but to our entire United States of America. So thank you to the farmers who visited with me. Thank you to the farmers who gave me the opportunity to speak with them and listened to me. Please know that I am happy and will continue to roll up my sleeves to work with my colleagues, Republicans and Democrats--the Senator from Kansas, the chairman of the Ag Committee; and the Senator from Michigan, the ranking member, Ms. Stabenow. Let's get a good farm bill done. Let's get it done on time, and let's all work together to make sure economic activity is alive and well and trade flourishes between the United States and the rest of the world. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The assistant bill clerk proceeded to call the roll. Mr. WHITEHOUSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. WHITEHOUSE. Mr. President, I believe that my distinguished colleague and friend, Senator Blumenthal, will be joining me on the floor. I ask unanimous consent that I be allowed to speak as in morning business for such time as I may require and, at the conclusion of my remarks, that Senator Blumenthal be recognized to make his remarks on the same subject. The PRESIDING OFFICER. Without objection, it is so ordered. Safeguarding OUr Elections Mr. WHITEHOUSE. Mr. President, 2018 is going to be an election year. In just 10 months, Americans will go to the polls to exercise their franchise, believing in the integrity of our democratic process. I am here today to discuss a threat to the integrity of that process, which is getting little attention here in Congress--nothing near what it deserves. We really ought to be acting with some expedition to safeguard our elections this November. Yet, instead, the effort is one of chasing down partisan investigative rabbit holes. What ought to be our job? Well, national security, intelligence, election, and law enforcement officials, many of them testifying before us here in Congress, have made what our job is very clear. We must counter Russia's well-established election interference playbook. Russia will hack. Russia will bully. Russia will propagandize. Perhaps more insidiously, Russia will seek to corrupt, particularly by exploiting cracks in our incorporation and campaign finance laws. We are warned: Russia will seek to interfere in 2018's election. I ask unanimous consent that an article entitled ``CIA's Pompeo says Russia and others trying to undermine U.S elections'' be printed in the Record at the conclusion of my remarks. To quote the Center for ***Strategic*** and International Studies' Heather Conley, testifying before Congress last spring, corruption is the ``lubricant'' for Moscow's election interference, so ``the battle of Western democracies to defeat corruption'' must be seen as ``a matter of national security.'' Testifying before our Crime and Terrorism Subcommittee, former Director of National Intelligence, James Clapper, agreed, saying of Russia's 2016 election meddling: I believe [the Russians] are now emboldened to continue such activities in the future, both here and around world, and to do so even more intensely. If there has ever been a clarion call for vigilance and action against a threat to the very foundation of our democratic political system, this episode is it. I hope the American people recognize the severity of this threat and that we collectively counter it before it further erodes the fabric of our democracy. How to counter it? Well, there are two important solutions that witnesses have identified in recent testimony before the Judiciary and other committees here in the Senate. First, guard against the use of phony shell corporations as facilitators of corruption. Ms. Conley, as I said, wrote that corruption is the ``lubricant'' with which the Russians operate their interference schemes. She and her colleagues warn that to fight the corruption that gives Russia this channel of influence--and I quote her here--``enhancing transparency and the effectiveness of the Western democratic tools, instruments, and institutions is critical.'' One central way to cut off this channel of improper influence would be to require companies to disclose who their real owner is so that Russian influence can no longer hide behind anonymous American shell companies. Another would be to crack down on the dark money that is flooding into American elections. It is illegal for foreign nationals to spend money or participate at all in American elections. Yet, post-Citizens United, the same dark money avenues that allow domestic election interference--for instance, that the Koch brothers use to manipulate American elections--are right out there to be used by Vladimir Putin. If they can hide their identity behind 501(c)(4)s and other dark money channels, so can operatives for the Russians. Instead of taking up these important measures or even ensuring a thorough investigation into the 2016 election meddling, we are--to paraphrase the legendary Senator Sam Ervin of Watergate fame--chasing rabbits when we should be on a bear hunt. Let's look at a few rabbits that have distracted us from the task at hand. Remember, when Michael Flynn, the President's former National Security Adviser, illicitly communicated with the Russian Ambassador about sanctions during the transition. Then in the White House, he lied to the FBI about it, which concerned the Justice Department so badly that the Acting Attorney General warned the White House Counsel personally, after which she was fired, but the President then [[Page S96]] waited 18 days until all of this had become public in the media to ask for Michael Flynn's resignation. Out of all of that, the topic for many Republicans was the alleged leaks of classified information that allowed the story to come to light--not the story itself of problems at the highest level of our national security establishment. Off people went after the ``leaks'' rabbit. Republicans then pivoted to talking about the ``unmasking''--remember that word; we heard a lot of it around here--of identities in intelligence reporting and the purported misconduct of Obama administration officials. Trump even publicly suggested that former National Security Adviser Susan Rice may have committed a crime. So off people went after the ``unmasking'' rabbit. Next, the President accused President Obama of wiretapping Trump Tower, an allegation so outrageous that even congressional Republicans have refused to stand by it, but my, what a bright and shiny rabbit it was for the weeks that it was still a distraction. By the spring and summer, Republicans were railing against purported conflicts of interest by FBI Deputy Director Andrew McCabe, a distinguished career public servant. I ask unanimous consent that this article, ``FBI ruled McCabe had no conflict of interest in Clinton probe,'' be printed in the Record at the conclusion of my remarks. So off everybody went after the ``McCabe's wife'' rabbit. After President Trump fired FBI Director James Comey to impede the Russia investigation and then told the Russian Foreign Minister and NBC that was why he had done it, the President launched another leak rabbit: a coordinated effort with his lawyers, congressional Republicans, and the rightwing media to suggest that Comey had leaked classified information by sharing with a friend his own contemporaneous notes of conversations with Trump. Just last week, the President again suggested on Twitter that Comey should be charged with a crime--another bite at the ``leaks'' rabbit. In early July, we learned of the June 2016 meeting at Trump Tower between Russian lawyer and operative Natalia Veselnitskaya and senior Trump campaign leaders seeking dirt on Hillary Clinton. Republicans tried to distract attention from that mess by suggesting that Veselnitskaya was in the country on a visa issued by Obama administration officials, with some rightwing media--aided by some congressional Republicans--even whipping on the ``visa'' rabbit by suggesting there was a setup orchestrated by the Obama administration against the Trump campaign. Then came the ``Fusion'' rabbit. Because Fusion GPS had worked on separate projects--one with Christopher Steele and a separate one with Natalia Veselnitskaya--some Republicans began suggesting either that Russia had been Fusion's client for the Steele dossier or that Steele was the unwitting victim of a Russian disinformation campaign. Then there is the ``Uranium One'' rabbit, which began when a rightwing author suggested, without evidence, that Hillary Clinton may have been responsible for a Russian state company acquiring uranium mines in the United States. This rabbit remains a topic of investigation in Congress and in rightwing media. Then there are the attacks on Bob Mueller, which, like rabbits, multiply by the hour. As the special counsel's investigation started heating up over the late summer and fall, the rightwing began investigating the investigation--alleged conflicts of interest, history of campaign donations, inappropriate text messages, questions about spouses' employment. But the big one was that the FBI was corruptly involved in the procurement of the Steele dossier and that this had launched the ``witch hunt.'' This, of course, is a very shiny rabbit. However, a week ago, reporting by the New York Times confirmed that the FBI did not begin its investigation into Donald Trump's connections to Russia because of the so-called Steele dossier. This should not come as a surprise. We have already been told that U.S allies warned American national security officials about Russian interference in our 2016 elections. In response to a question from Ranking Member Feinstein at our Crime and Terrorism Subcommittee hearing on May 8, former Director of National Intelligence James Clapper confirmed that ``Britain's intelligence service''--Britain's intelligence service--``first became aware in late 2015 of suspicious interactions between Trump advisers and Russian intelligence agents,'' and the Brits passed that information on to U.S intelligence agencies. Clapper confirmed that in ``the spring of 2016, multiple European allies passed on additional information to the United States about contacts between the Trump campaign and Russians.'' Clapper said that these reports were accurate and that ``the specifics are quite sensitive.'' Now we have learned that Trump campaign foreign policy adviser George Papadopoulos, who pled guilty last year to lying to the FBI, apparently told a senior Australian official in the spring of 2016 that Russia had dirt on Hillary Clinton. This is something he said he had been told by an intermediary for the Russians. When hacked emails started showing up that summer, Australia's Government became sufficiently concerned to let U.S officials know about what they had learned from Papadopoulos. So you have the British intelligence community warnings, the European intelligence community warnings, the Australian warnings, and Carter Page's travels to Russia. You have the attribution of the DNC hack, the intrusion into those emails, to Russian hackers. You have the leaking of the stolen emails. You have abundant evidence out of all of that for the FBI that the Trump campaign's links to Russia required further investigation. It would have been a complete failure of their duty to not have looked further based on all of that evidence. That is not to say that Christopher Steele and his work are not taken seriously by U.S intelligence and law enforcement officials. U.S security agencies have relied on Steele's analysis long before any dossier appeared. Steele is a leading Russia expert. Beginning in 1990, as an undercover officer in Moscow, he watched the Soviet Union unravel. He observed Russia's current leaders ascend through the Russian security services during the 1990s and 2000s. He rose to a senior position on MI6's Russia desk in London. Since leaving MI6, his reports on Russia and Ukraine have been shared widely within the U.S Government as credible reporting. A U.S official told the Guardian that Steele's reports were ``consistently reliable, meticulous, and well-informed.'' But you would never know this from listening to congressional Republicans. They have been repeating, in chorus with the White House and conservative media, the disproven claim that the Russians somehow commissioned the Steele dossier or that Steele somehow got suckered by the Russians or that some deep-state FBI set up the whole thing to pressure Trump. They have pushed to discredit Steele. They have pushed to discredit Fusion. As one example, rewind to the Judiciary Committee's hearing on the Foreign Agents Registration Act, or FARA, last July. On the morning of the second day of that hearing, the President tweeted: ``One of the things that has been lost in the politics of this situation is that the Russians collected and spread negative information about then candidate Trump.'' This is Trump tweeting about himself. His tweet came shortly after a segment on FOX News centered on the same question. Other rightwing outlets parroted the same message. That same day, Republicans in Congress spun out the same premise that Russians paid for the dossier and that the dossier was, to use their word, the ``genesis'' of the FBI's inquiry. I hope we have made it clear that this was not the genesis. While the FARA hearing was still going on, that same day, the gop.gov website published this post: [W]e now know a Russian backed, Democrat connected research firm, with a history of smearing individuals and pitching fake information to reporters, was hired by opponents of President Trump to compile a ``dossier'' of supposed Trump ties to Russia. The information that was compiled was taken seriously by the highest level of our intelligence community along with our media, despite obvious signs that the firm behind it was tied to Russia. [[Page S97]] As a reminder, this phony ``dossier'' helped spark the investigation now led by Special Counsel Mueller. That is the rabbit we are chasing now. The uniformity of the rightwing message that day with the White House was telling, but the message--the content of it--is simply not true. In fact, at that hearing, the witness denied any knowledge of any link between Russians and the clients of the Steele dossier. In the months that followed, Fusion GPS's founder, Glenn Simpson, spent over 20 hours speaking with congressional investigators, including investigators from the Senate Judiciary Committee. I ask unanimous consent that his op-ed be printed in the Record as a third and final item at the conclusion of my remarks. During these interviews, he specifically told Democratic and Republican staff alike that the dossier was taken seriously by the FBI because it corroborated reports the Bureau had already received from other sources--remember the British, the European, the Australian we have talked about--and a source inside the Trump campaign. From the Time's recent reporting, we can conclude that that source was George Papadopoulos. This has all been known for months, but the narrative about Fusion GPS and the FBI grinds on, unhinged from fact. The revelation about George Papadopoulos and the Australian Government should serve as a clarifying moment about the rightwing effort to undermine Bob Mueller's investigation of the ties of the Trump campaign and his Presidency to Russia. The FBI investigation did not begin because of opposition research. It did not begin because researchers or journalists or American national security officials fell victim to Russian disinformation. It did not begin because of fake news or because Democrats needed an explanation for losing an election. It began when multiple allies, friends of the United States, warned us that the Russian Government was interfering in our democratic process-- something many of them knew about from Russia's interference in their own democratic process. We still do not know to what extent that interference may have been facilitated or even simply known to members of the Trump campaign or other Trump associates. We still have done nothing to prevent further interference in our elections in 2018. The special counsel's investigation and the investigations going on in Congress must be allowed to continue until all of the facts are known. Here in the Senate, we should stop looking for new distractions, stop chasing rabbits, and start thinking about how we are going to protect our future elections--our 2018 election--against a repeat performance, which we have been warned about, by the Russians or another foreign adversary, for that matter. As the Center for ***Strategic*** and International Studies warns in its report, ``The Kremlin Playbook,'' we must fight the avenues for corruption that give Russia influence. We must ``enhanc[e] transparency'' in government and build ``resilience against Russian influence'' in our elections and elsewhere in American society. I will conclude by saying that the best measure of our success in Congress will be an America defended against foreign election interference in time to protect our 2018 elections. If we have not achieved that, we have failed at our duty. I do not see us presently on a path to meet that goal. We are less than a year out from election day. We have work to do. Enough with the rabbits. There being no objection, the material was ordered to be printed in the Record, as follows: CIA's Pompeo Says Russia and Others Trying To Undermine U.S Elections (By Susan Cornwell) Washington (Reuters).--The head of the Central Intelligence Agency said on Sunday that Russia and others are trying to undermine elections in the United States, the next major one being in November when Republicans will try to keep control of Congress. U.S intelligence agencies have concluded that Russia interfered in the 2016 presidential election to try to help President Donald Trump win, in part by hacking and releasing emails embarrassing to Democratic presidential candidate Hillary Clinton, and spreading social media propaganda. CIA Director Mike Pompeo told CBS that the Russian interference is longstanding, and continues. Asked on ``Face the Nation'' if Moscow is currently trying to undermine U.S elections, Pompeo responded: ``Yes sir, have been for decades.'' ``Yes, I continue to be concerned, not only about the Russians, but about others' efforts as well,'' Pompeo said, without giving details. ``We have many foes who want to undermine Western democracy.'' Moscow denies any meddling in the 2016 elections to help Republican Trump win. U.S Special Counsel Robert Mueller is investigating whether any crimes were committed. Two Trump associates, former national security adviser Michael Flynn and campaign aide George Papadopoulos have pleaded guilty to lying to FBI agents in the probe. Trump denies any campaign collusion with Russia. Trump has at times suggested that he accepts the U.S intelligence agencies' assessment that Russia sought to interfere in the election but at other times has said he accepts Russian President Vladimir Putin's denials that Moscow meddled. Trump has frequently spoken of wanting to improve relations with Putin, even though Russia has frustrated U.S policy in Syria and Ukraine and done little to help Washington in its standoff with North Korea. Pompeo told CBS that the CIA had an important function as a part of the national security team to keep U.S elections secure and democratic. ``We are working diligently to do that. So we're going to work against the Russians or any others who threaten that very outcome,'' he said. Trump said on Saturday that he ***planned*** an active year on the campaign trail on behalf of Republican candidates running in the mid-term elections, in which all of the House of Representatives and one-third of the Senate will be up for election. Republicans hold majorities in both. \_\_\_\_ [From The Hill, Jan. 5, 2018] FBI Ruled McCabe Had No Conflict of Interest in Clinton Probe: Docs (By Julia Manchester) The FBI said in documents released Friday that Deputy Director Andrew McCabe did not have any role in the probe into Hillary Clinton's private email server while his wife ran as a Democrat for state office in Virginia. The documents note that Jill McCabe announced her candidacy for state Senate in Virginia in March 2015, while Andrew McCabe's role as deputy director started in February 2016, three months after his wife lost her electoral bid. Andrew McCabe had asked ethics officials if his wife's candidacy would lead to a potential conflict of interest while he was working as an assistant director at the FBI Field Office in Washington, D.C , the documents show. ``From the first contemplation that his wife would run for office in Virginia, [McCabe] sought out and consulted with ethics officers, which included briefings on the Hatch Act,'' the records state. A ``system of recusal'' was also put in place to prevent any potential conflicts of interests, according to the documents. The release of the documents comes after President Trump and other Republicans have claimed McCabe had a conflict of interest due to his wife's electoral bid, noting that her campaign was supported by a super-PAC associated to Virginia Gov. Terry McAuliffe (D), a Clinton ally. ``How can FBI Deputy Director Andrew McCabe, the man in charge, along with leakin' James Comey, of the Phony Hillary Clinton investigation (including her 33,000 illegally deleted emails) be given $700,000 for wife's campaign by Clinton Puppets during investigation?'' Trump tweeted last month: ``How can FBI Deputy Director Andrew McCabe, the man in charge, along with leakin' James Comey of the Phony Hillary Clinton investigation (including her 33,000 illegally deleted emails) be given $700,000 for wife's campaign by Clinton Puppets during investigation?'' 3:27 PM-Dec. 23, 2017 Trump's tweet and others he sent targeting the No. 2 FBI official amid the federal Russia probe came after it was revealed McCabe would be retiring from his post in the coming months. Trump interviewed McCabe to be FBI director in May after he fired James Comey from the top post. The president ultimately tapped Christopher Wray for the bureau's top spot. \_\_\_\_ [From the New York Times, Jan. 2, 2018] The Republicans' Fake Investigations (By Glenn R. Simpson and Peter Fritsch) A generation ago, Republicans sought to protect President Richard Nixon by urging the Senate Watergate committee to look at supposed wrongdoing by Democrats in previous elections. The committee chairman, Sam Ervin, a Democrat, said that would be ``as foolish as the man who went bear hunting and stopped to chase rabbits.'' Today, amid a growing criminal inquiry into Russian meddling in the 2016 election, congressional Republicans are again chasing rabbits. We know because we're their favorite quarry. In the year since the publication of the so-called Steele dossier--the collection of intelligence reports we commissioned about Donald Trump's ties to Russia--the president [[Page S98]] has repeatedly attacked us on Twitter. His allies in Congress have dug through our bank records and sought to tarnish our firm to punish us for highlighting his links to Russia. Conservative news outlets and even our former employer, The Wall Street Journal, have spun a succession of mendacious conspiracy theories about our motives and backers. We are happy to correct the record. In fact, we already have. Three congressional committees have heard over 21 hours of testimony from our firm, Fusion GPS. In those sessions, we toppled the far right's conspiracy theories and explained how The Washington Free Beacon and the Clinton campaign--the Republican and Democratic funders of our Trump research-- separately came to hire us in the first place. We walked investigators through our yearlong effort to decipher Mr. Trump's complex business past, of which the Steele dossier is but one chapter. And we handed over our relevant bank records--while drawing the line at a fishing expedition for the records of companies we work for that have nothing to do with the Trump case. Republicans have refused to release full transcripts of our firm's testimony, even as they selectively leak details to media outlets on the far right. It's time to share what our company told investigators. We don't believe the Steele dossier was the trigger for the F.B.I 's investigation into Russian meddling. As we told the Senate Judiciary Committee in August, our sources said the dossier was taken so seriously because it corroborated reports the bureau had received from other sources, including one inside the Trump camp. The intelligence committees have known for months that credible allegations of collusion between the Trump camp and Russia were pouring in from independent sources during the campaign. Yet lawmakers in the thrall of the president continue to wage a cynical campaign to portray us as the unwitting victims of Kremlin disinformation. We suggested investigators look into the bank records of Deutsche Bank and others that were funding Mr. Trump's businesses. Congress appears uninterested in that tip: Reportedly, ours are the only bank records the House Intelligence Committee has subpoenaed. We told Congress that from Manhattan to Sunny Isles Beach, Fla., and from Toronto to Panama, we found widespread evidence that Mr. Trump and his organization had worked with a wide array of dubious Russians in arrangements that often raised questions about money laundering. Likewise, those deals don't seem to interest Congress. We explained how, from our past journalistic work in Europe, we were deeply familiar with the political operative Paul Manafort's coziness with Moscow and his financial ties to Russian oligarchs close to Vladimir Putin. Finally, we debunked the biggest canard being pushed by the president's men--the notion that we somehow knew of the June 9, 2016, meeting in Trump Tower between some Russians and the Trump brain trust. We first learned of that meeting from news reports last year--and the committees know it. They also know that these Russians were unaware of the former British intelligence officer Christopher Steele's work for us and were not sources for his reports. Yes, we hired Mr. Steele, a highly respected Russia expert. But we did so without informing him whom we were working for and gave him no specific marching orders beyond this basic question: Why did Mr. Trump repeatedly seek to do deals in a notoriously corrupt police state that most serious investors shun? What came back shocked us. Mr. Steele's sources in Russia (who were not paid) reported on an extensive--and now confirmed--effort by the Kremlin to help elect Mr. Trump president. Mr. Steele saw this as a crime in progress and decided he needed to report it to the F.B.I We did not discuss that decision with our clients, or anyone else. Instead, we deferred to Mr. Steele, a trusted friend and intelligence professional with a long history of working with law enforcement. We did not speak to the F.B.I and haven't since. After the election, Mr. Steele decided to share his intelligence with Senator John McCain via an emissary. We helped him do that. The goal was to alert the United States national security community to an attack on our country by a hostile foreign power. We did not, however, share the dossier with BuzzFeed, which to our dismay published it last January. We're extremely proud of our work to highlight Mr. Trump's Russia ties. To have done so is our right under the First Amendment. In is time to stop chasing rabbits. The public still has much to learn about a man with the most troubling business past of any United States president. Congress should release transcripts of our firm's testimony, so that the American people can learn the truth about our work and most important, what happened to our democracy. Mr. WHITEHOUSE. I now yield, per the pending agreement, to my distinguished friend from Connecticut. The PRESIDING OFFICER (Mr. Rubio). The Senator from Connecticut. Mr. BLUMENTHAL. Thank you, Mr. President. I thank my colleague Senator Whitehouse for his very erudite and insightful summary of the bright, shiny toys and rabbits and rabbit holes that a number of our colleagues have attempted to use to distract the Judiciary Committee and this body from what should be its quest for the truth; that is, the truth about the Russian attack on our democracy during the last election and potential collusion in that attack-- specifically, collusion by the Trump campaign--and obstruction of justice. Indeed, obstruction of justice is within the direct purview of the Judiciary Committee. I want to thank my colleague Senator Whitehouse for joining me in a letter that we wrote to the chairman of the Judiciary Committee, Senator Grassley, asking that he very simply make public the transcript of the interview with Glenn Simpson conducted by our staff. Senator Grassley declined. But, earlier today, Senator Feinstein released the interview, advancing the American people's right and need to know the full truth. I want to applaud Senator Feinstein's leadership in using her proper authority as the ranking member to serve this vital public interest. I am grateful to her for her courage and strength in moving forward and disclosing the transcript to prevent its use as a dangerous distraction from the critical work of our committee. I want to thank at least one of our colleagues across the aisle, Senator Cornyn, for apparently supporting that step. The toys and rabbits and rabbit holes are hardly new to efforts by defenders of an administration against an investigation, and perhaps for some amusement as well as enlightenment, I want to cite a satiric column done by Art Buchwald in 1973. Mr. President, I ask unanimous consent that the column be printed in the Record. There being no objection, the material was ordered to be printed in the Record, as follows: Here Are Handy Excuses for Nixon Backers (By Art Buchwald) Washington.--These are difficult times for people who are defending the Nixon administration. No matter where they go they are attacked by pseudo-liberals, McGovern lovers, heterosexual constitutionalists and paranoid John Dean believers. As a public service, I am printing instant responses for loyal Nixonites when they are attacked at a party. Please cut it out and carry it in your pocket. 1--Everyone does it. 2--What about Chappaquiddick? 3--A President can't keep track of everything his staff does. 4--The press is blowing the whole thing up. 5--Whatever Nixon did was for national security. 6--The Democrats are sore because they lost the election. 7--Are you going to believe a rat like John Dean or the President of the United States? 8--Wait till all the facts come out. 9--What about Chappaquiddick? 10--If you impeach Nixon, you get Agnew. 11--The only thing wrong with Watergate is they got caught. 12--What about Daniel Ellsberg stealing the Pentagon Papers? 13--It happens in Europe all the time. 14--People would be against Nixon no matter what he did. 15--I'd rather have a crook in the White House than a fool. 16--L.B.J used to read FBI reports every night. 17--What's the big deal about finding out what your opposition is up to? 18--The President was too busy running the country to know what was going on. 19--What about Chappaquiddick? 20--People who live in glass houses shouldn't throw stones. 21--McGovern would have lost anyway. 22--Maybe the Committee for the Re-Election of the President went a little too far, but they were just a bunch of eager kids. 23--I'm not for breaking the law, but sometimes you have to do it to save the country. 24--Nixon made a mistake. He's only human. 25--Do you realize what Watergate is doing to the dollar abroad? 26--What about Harry Truman and the deep freeze scandal? 27--Franklin D. Roosevelt did a lot worse things. 28--I'm sick and tired of hearing about Watergate and so is everybody else. 29--This thing should be tried in the courts and not on television. 30--When Nixon gives his explanation of what happened there are going to be a lot of people in this country with egg on their faces. 31--My country right or wrong. 32--What about Chappaquiddick? 33--I think the people who make all this fuss about Watergate should be shot. 34--If the Democrats had the money they would have done the same thing. 35--I never trusted Haldeman and Ehrlichman to start with. [[Page S99]] 36--If you say one more word about Watergate I'll punch you in the nose. A--If the person is bigger than you: ``If you say one more word about Watergate I'm leaving this house.'' B--If it's your own house and the person is bigger than you: ``What about Chappaquiddick? Mr. BLUMENTHAL. Mr. Buchwald wrote a satirical list of tactics Republicans were using to keep Americans from focusing on the Watergate scandal. The list is eerily familiar. The tactics being employed by the Trump supporters today ring of those same tactics used in Watergate. Buchwald suggests focusing on accusations made against prominent Democrats or individuals who had accused Richard Nixon of wrongdoing. He suggests attacking the media. He suggests saying: ``The Democrats are sore because they lost.'' He suggests deflecting blame to a ``bunch of eager kids''--perhaps sounding like the reference to ``coffee boys'' today--and saying that this investigation is ``bad for the dollar,'' much like bad for America abroad. I am very confident--and I want to emphasize this point very emphatically--that the special counsel will be in no way distracted from his investigation and his team will be undeterred by these tactics. But the American people should not be distracted or deterred either and, equally important, the Judiciary Committee, the U.S Senate, and the Congress as a whole has a duty here that is, in fact, vulnerable to that same distraction. We must persevere. What our Republican colleagues are doing at this point is indicated by a recent New York Times article. The article describes President Trump's efforts to persuade congressional allies to drop their investigations, and it says: Another Republican Senator said Mr. Trump had not urged him to help bring the Russia inquiry to a halt. Instead, the Senator said, the President nudged him to begin an investigation into Hillary Clinton's connection with the intelligence-gathering firm Fusion GPS, which ***produced*** a dossier of allegations about Mr. Trump's ties to Moscow. The goal was to stop the investigation of Russian meddling, but the implication in the article is that the President knew he could achieve that goal as effectively, or at least more practically, by distracting from those investigations, diverting resources to other issues, and muddying the waters for the American people. That is the playbook from 1973 that is referenced by Art Buchwald in his 1973 column. Here is the danger: Distractions are dangerous, and efforts to discredit law enforcement are equally perilous. Those efforts have included not only the urging for an investigation of Uranium One and Fusion GPS but also attacks on the integrity of some members of the FBI and the FBI as a whole and attacks on individual members of the special counsel's team, on the team as a whole, and on Robert Mueller himself. The effort plainly is to discredit the investigation before it reaches a potentially incriminating conclusion and to stop the investigation, but if not stop it, at least to demean its credibility before charges are brought. It is standard operating procedure. We know as prosecutors. The distinguished Senator from Rhode Island and I served as U.S attorneys and then attorneys general for our States. We know going into the courtroom that we can expect to be attacked and that our teams can be expected to be attacked. That is what defense lawyers do. That is what they do because they hope to demean and discredit and dismantle the credibility of prosecutors before the jury in the courtroom. Here, the courtroom is not a court of law but the court of public opinion. Our Republican friends have launched that preemptive strike, methodically and meticulously, just as the special counsel is engaging in his investigation methodically and meticulously. Now, I referred to Republican colleagues, and I believe strongly and passionately that many, if not most, of our Republican colleagues share our zeal for the rule of law and for a just outcome to this investigation. The reason is very simple. The Russian attack on our democracy imperils not just this administration and not just one election. It imperils our democracy as a whole. The meddling in our elections was perhaps done to advance the Trump candidacy in 2016, but it can be used against the Trump candidacy in 2020. It can be used against another Republican candidate in that year. It could be used in 2018 against other candidates for Congress or for State election. My Republican colleagues have been as eloquent as any of us in defining that threat because there is no doubt in the intelligence community that it is a threat, that the Russians did interfere, and that they sought to advance the Trump candidacy. Whether there was an impact and what the impact was may never be known, but the effort is clear. It involved a massive campaign of disinformation, propaganda, cyber attack, and other means. That is what the FBI learned was happening, not as a result of Christopher Steele but from sources within the Trump campaign, including George Papadopoulos, and from other intelligence sources, and that is what we must make sure is known to the American public. We must make sure that anyone who aided the Russians pays a price and that the Russians themselves pay a price, because if there is no price, it will be done with impunity again. So there should be--and I believe there is--bipartisan apprehension about that threat to our Nation's security. That is the reason that the Judiciary Committee's investigation, along with the special counsel, is so important, because our purview includes obstruction of justice and the integrity of the Department of Justice. Any interference politically with the FBI's investigation into Russian meddling must be prevented in the future as well. Only the Judiciary Committee can frame and craft legislation that will help to protect the FBI. Senator Whitehouse and I, and Senator Feinstein and others on the committee, will be proposing such legislation based on what we know so far. It is legislation that essentially protects the rule of law against such efforts to obstruct justice and politically interfere. The intelligence community's conclusions about Russian meddling did not rely on the credibility of Glenn Simpson or Christopher Steele. The two guilty pleas and convictions that the special counsel has already secured do not rely on the credibility of Simpson or Steele. Without fear of contradiction, I can predict that additional convictions and indictments will be based on fact and law, not on the credibility of Simpson and Steele. The conclusions reached by Simpson, Steele, or anybody else are relevant only insofar as they are supported and backed and proved by facts and consistent with relevant law. Now, in fact, as we know, Christopher Steele tried to blow the whistle on the Russians. He brought to the FBI's attention information that he thought was relevant to protecting the United States of America against Russian interference. As my colleague Senator Whitehouse has outlined in detail, the FBI already knew of it and courteously heard from Christopher Steele and later interviewed him. The effort to undermine the credibility of the FBI by pointing to Christopher Steele completely misses the mark. In fact, I am deeply disappointed that the first major action by our Republican colleagues on the Judiciary Committee was aimed at someone who reported wrongdoing, not committed it, and it was done without any cooperation or even consultation with Democratic colleagues. It is really a betrayal of the spirit that I think should characterize this very serious investigation, because it should be bipartisan. My hope is that these distractions, dangerous as they are, will, in fact, not divert either our committee or the special counsel. The pace of our committee's investigation--again, to be very blunt--has been shamefully slow. I hope that its pace will quicken and that it will intensify and that there will be hearings in public with witnesses under oath and subpoenas of documents. I have said it repeatedly. I hope we will use those tools because only by relying on our powers to investigate effectively and comprehensively will we protect the goals of upholding integrity and justice. As for the special counsel and our law enforcement community, I think they should know that we support them and that we will protect the special counsel against political interference. That is why there is legislation I have proposed, along with my [[Page S100]] colleague Senator Whitehouse and others. It is bipartisan legislation. I thank Senators Tillis and Graham, as well as Senators Coons and Booker, for joining in this legislation. That legislation has already had a hearing. It should be voted to the floor and passed by the Congress so that there is no question that the special counsel will be protected against interference or firing. As that investigation moves closer to the Oval Office, as it tightens its grip on members of the administration, there will be increasing threats and efforts to intimidate. The FBI and the Department of Justice, as well as the special counsel, have a well-earned reputation for integrity and zeal. It is part of our rule of law that a law is enforced. Enforcement of a law depends on thorough and independent investigations that are pursued without fear or favor, without efforts to distract or demean. This body, the U.S Congress, has an obligation to support those kinds of values. They are uniquely American values. They are the underpinning of all of our laws, all that we hold dear, and all that we celebrate in this body and in this country. My hope is that we will be part of the effort to avoid politicizing the pursuit of justice. Politicization of the pursuit of justice diverts energy and attention away from credible criminal investigations. It sends a message to this President and future Presidents--and everybody who occupies any office--that there are no repercussions for diverting and distracting and for the ploys and rabbit holes that may be used to squander resources or undermine credibility. Republicans and Democrats alike should join in the effort to preserve the rule of law. My hope is that we will and will do so without delay because every day that passes when these kinds of false, baseless, and biased innuendos and rumors are raised and given credence is a day that undermines those values that we hold dear. I yield the floor. The PRESIDING OFFICER. The Senator from Ohio. Mr. BROWN. Mr. President, I thank Senators Whitehouse and Blumenthal for their remarks. Children's Health Insurance ***Program*** Mr. President, it has been 100 days since this Congress allowed the Children's Health Insurance ***Program*** to expire. Congress did nothing in September, October, November, and December, and now we are more than a week into January--100 days of anxiety for parents, 100 days of wondering if their kids will be kicked off their coverage, 100 days of worrying if they will be able to afford their child's prescriptions or worrying whether they can take them to the doctor if they get the flu. Members of Congress--new Members, such as Senators Smith and Jones, Members like Senator Hatch, who has been here for 40 years, and all of us--have healthcare paid for by taxpayers. We remember the discussion of the tax bill written down the hall in the office of Majority Leader McConnell. The Senate found plenty of time in December to pass a massive handout for corporations. The Presiding Officer, the Senator from Florida, has since questioned whether too much of this bill went to corporate interests. More than 80 percent of the tax cut bill went to the richest 1 percent. In addition, we know it was a massive handout for corporations that sent jobs overseas. We are going to see more companies shut down in Mansfield, Lima, Zanesville, Chillicothe, Portsmouth, and in big cities like Columbus, Cleveland, and Cincinnati. We are going to see more plants close and move overseas because this Senate and the House passed a tax bill that encourages more corporations to ship jobs overseas. All the while, this body couldn't be bothered to give families more than a short-term funding Band-Aid for CHIP, which experts have said will not even last the last 3 months they promised. I applaud the Presiding Officer, the Senator from Florida, for his efforts to enlarge at least some of the tax bill to put more money into the pockets of working families, particularly low-income working families. It was not enough, but at least some effort was made. The Centers for Medicare and Medicaid Services are reporting that some States will run out of money by January 19, next week. In my State of Ohio, 209,000 children rely on CHIP. Who are these kids? These are sons and daughters of Ohioans, who are working, in most cases, making $8, $10, or $12 an hour. They are the sons and daughters of parents who don't have insurance not because they aren't working as hard or harder than we do, but they don't have insurance simply because their parents happen to work at a job where they are not provided insurance. There are 209,000 Ohio children who rely on CHIP, a ***program*** that has been bipartisan for 20 years. It was without controversy in the past. Families in some States already got letters last year and early this year warning them that their children could lose their healthcare. Think about these families. The parents of some of these millions of children around the country come home from work, working in a $10-an- hour job, not making a lot of money. They are working every bit as hard as we do. They go to the mailbox and see a letter from their State government. I will read one of these letters, a copy of which went to tens of thousands of parents: Because Congress has not acted yet, we need to let you know there is a chance that the CHIP ***Program*** may have to be shut down. In other words, there is a chance that your children's health insurance will be cut off. Remember, this is because of the inaction in this body. This is because Senators, who have insurance paid for by taxpayers, would rather vote for tax cuts, would rather do whatever we do all day instead of renewing the Children's Health Insurance ***Program***. This letter goes on: If Congress does not renew Federal funds for CHIP in time, you will get another letter in January telling you your benefits will end. So first, it is a warning. Some parents got this warning right around Christmastime. They are already struggling financially. They are not giving their children nearly as much as they want for Christmas because they are making $8, $10, or $12 an hour. They are just trying to stay above water. They are just trying to raise their kids. They get a letter like this at Christmastime saying: If Congress doesn't act, there is really bad news; your kids are going to lose their insurance. Then the same letter says: If Congress doesn't act, in January you will get another letter saying your insurance is cut off. It is already an expensive time of year. There is record cold in Ohio. Several of our grandchildren live in Columbus, one of them in St. Croix, and two in Providence, RI. When a number of our grandchildren were around, it was too cold to go outside. It was that kind of winter in Ohio. The day after Christmas, temperatures dropped to single digits for 5, 6, or 7 days running. Families are paying more for their heating bill. At Christmastime, of course, it is more expensive. Now their government adds to this list of worries. How do they ***plan*** their budget for this year if they don't know whether or not they will have to shell out thousands of dollars more for care for their kids? Remember, 9 million children are at risk because of Republican inaction. Senator Portman, my Republican colleague from Ohio, and I and almost every other Senator on the Finance Committee voted to move forward on CHIP, to renew it for these 9 million children for 5 years. That was a good thing. It passed out of committee, but Senator McConnell, for whatever reason, didn't think this was important enough to actually put it on the floor, move on it, and get it to the President. I have no idea if the President will sign it. I don't think he knows much about the Children's Health Insurance ***Program***, but I assume his advisers will say that it is probably a good idea to sign it. But he hasn't had a chance to sign it because the majority leader doesn't think this bill is important enough--that these 9 million children are important enough--that Congress should take action. These are often families with two working parents. They might make $8, $10, or $12 an hour, but they are working in jobs where they are not lucky enough to have health insurance. They work for companies or many for small businesses that, for whatever reason, can't afford it. Whatever the reason, they are working for companies that don't offer health insurance coverage [[Page S101]] for their families, or they are families with children with special needs. I have introduced to my colleagues before Crystal Lett. This is Crystal's son Noble, a first-grader in Dublin, OH, a small, prosperous suburb west and northwest of Columbus. I met Crystal and Noble last year, when they made the trip from Ohio to Washington to talk to Members of Congress about CHIP. Crystal's life is not easy because she is taking care of a child with a disability whom she so clearly and dearly loves. I could see, watching Noble, how much he loves his mother and how important they are to each other. Noble was born with a rare genetic disorder. He needs three therapy sessions every week. He gets daily hormone injections. His medications cost $1,500 a month. I talked to Crystal when she visited. I talked to her again. We talked about how she and her family are scared to death about what will happen to them if Congress doesn't save CHIP. This is not difficult. Congress has renewed it every year for 20 years. It is bipartisan. It has never had much of any opposition. There are a lot of people like Noble's mother. Crystal said CHIP is ``the difference between living a middle class lifestyle, or being part of the poverty line.'' Congress had time to hand out massive permanent tax cuts to the richest Americans and the biggest corporations that send job overseas, but it could only manage to scrape together just a little short-term 3 months of funding for these families. It is really what is wrong with this city. Folks here listen too much to the lobbyists. I remember--and the Presiding Officer remembers, too--seeing the stream of lobbyists from drug companies, from insurance companies, from the big banks, and from the oil industry, in and out of Senator McConnell's office, writing a tax bill. We remember that from just a couple of months ago. But for some reason, Crystal and Noble couldn't get in that line--the line of lobbyists asking for huge tax breaks, saving billions of dollars for their employers while these lobbyists are paid very well. But, frankly, there was nobody having the political wherewithal to convince the majority leader that we ought to move on the CHIP bill. Healthcare for our kids shouldn't be controversial. It never was until this recent Senate and until this recent President was sworn in. It shouldn't be partisan. It should be easy. It is a ***program*** created 20 years ago. It was bipartisan. It has always been bipartisan. It still has bipartisan support today, except that the Speaker of the House down the hall and the majority leader a little closer to us just simply don't want to pass it. We passed the CHIP extension out of the Finance Committee. It is ready to go. Republican leaders could put it on the floor today, and it would pass. I am guessing that it would pass with no more than 5 or 10 ``no'' votes. I want my colleagues to explain to Noble's mother Crystal and to explain to other mothers and fathers like her why corporate tax cuts are more important than their children's health. This is about whose side you are on. Do we work for the corporations that send our jobs overseas, do we work for those companies that line up hungrily for tax breaks, or do we work for families who just want the peace of mind so they can take their kids to the doctor? It is past time for folks in Congress, with taxpayer-funded healthcare, to do their jobs and extend CHIP. I don't want more families to get a letter like this from their capital city, from the Department of Welfare or the Department of Job and Family Services, whatever it is in each community in each State. I don't want any more parents to go to the mailbox, to open this letter, and to have that fear and anxiety hit them in their gut, thinking: Oh, my God, my children's health insurance may be canceled. We can do better than that. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll. Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered.

**Load-Date:** January 11, 2018

**End of Document**



[***-Colombian farmers move from coca to coffee with Starbucks support***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P0R-3XT1-JD3Y-Y283-00000-00&context=1516831)

ENP Newswire

July 12, 2017 Wednesday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 1177 words

**Body**

Colombian farmers move from coca to coffee with Starbucks support.

Alfredo Nuno's morning ritual has been the same for the past 18 years: Wake up, grind coffee beans, pour the grounds into a coffee press, let them steep in water, take a sip - and feel the past and present rise up and meet.

It's a humbling moment, he said on a recent morning.

'It's the end of a very long road where you have many hands, many lives and many struggles that were involved to have that cup,' he said.

Nuno, who leads the Starbucks Farmer Support Center in Manizales, Colombia, one of 12 Colombian departments (similar to U.S. states) that encompass 90,000 farmers in the Starbucks supply chain, knows the obstacles farmers face in the ancient art of coffee growing. He has seen their struggles, and he knows their stories.

He knows that many have lived in areas of conflict where more than 200,000 have died and 5 million have been displaced. For some, the main way to earn a livelihood was to grow coca leaves, used in making cocaine. If the farmers wanted to stop, sometimes their lives would be in danger.

Colombia ended the more than 50 years of violence and insurgency last year when its main rebel group, the Revolutionary Armed Forces of Colombia (FARC), inked a peace agreement.

Since the agreement was reached, farmers now have more freedom to make the choice to turn from coca leaves to coffee growing. Nuno and Starbucks are committed to helping them become successful.

On Monday, Starbucks announced new ***plans*** for supporting the next generation of coffee growers. An expanded partnership with the United States Agency for International Development (USAID) is aimed at providing 1,000 farmers in post-conflict zones with training in ***agriculture*** and climate resiliency ***programs*** and providing them access to technology to help them run their farms. A $ 4 million farmer loan initiative in partnership with the Inter-American Developmental Bank (IDB) will support 2,000 mainly women farmers in Colombia.

'To say, 'We are going to quit growing coca leaves and ***produce*** coffee' - that's huge,' Nuno said. 'They will gain in their own tranquility and self-esteem and won't be bound to blackmail and pressure.'

On Monday at the Plaza Mayor Convention Center in Medellin, Colombia, several farmers - including former coca leaf growers who are now cultivating coffee and a female coffee farmer-shared their stories. Representatives from Starbucks, USAID, the Colombian Coffee Federation and IDB also spoke.

In 2009, Jose, a coffee farmer in the village of Cachumbal, decided to leave behind a life marked by the fear and anxiety that had infused his days as a grower of coca leaves. He had met a woman who also grew coca, and they fell in love. They decided to switch to cultivating coffee in hopes of a more secure future, one in which they would feel confident building a family.

To avoid potential retribution from rebel groups, to whom he would deliver the coca leaves, Jose (his last name is not being used for safety reasons) and his wife moved to another region in Colombia to begin anew. They now have two young girls. Jose receives assistance from the Starbucks Farmer Support Center, which has helped him manage the cost of running his 10-acre farm and taught him to maintain a healthy crop and grow it sustainably. At first, he earned less from growing coffee than from coca leaves, but he says his coffee now brings in similar income to what he used to make from selling coca. 'Follow the coffee path,' Jose, 35, said at Monday's event. 'I have found that coffee-growing is a more peaceful lifestyle.'

Starbucks is also kicking off a partnership in Colombia with the IDB to grant loans to benefit 2,000 small-scale growers who grow coffee and are part of the primarily women-run co-op Cooperativa de Caficultores de Andes (Cooperandes). The loans will help them develop their coffee farms to enhance quality and coffee yields. Since many don't have land rights, they don't have the collateral to get a traditional loan.

Alejandra Cadavid, a female farmer from the Antioquia region, comes from a family of coffee farmers. Her parents cultivated coffee, but both her mother and father died when Cadavid was an infant. Raised by her grandparents, Cadavid took over the farm from them when she was 20.

'I had to take care of everything,' she said. 'It was hard for me because I'm very young and because I'm a woman.' Support from Cooperandes and from the IDB have helped Cadavid find success in the fields.

'We're enabling women to make their own decisions for their future,' Nuno said. Some of the women who are part of the co-operative are widows of men who died in conflict, as did Cadavid's father.

For decades, in parts of Colombia deeply affected by the conflict, coffee farming just halted, frozen in time. Now, 'there are some areas where you can see coffee growing was set back 50 years,' Nuno said. 'They are using those old techniques.'

At the Starbucks Farmer Support Center in Colombia, which opened in 2012, coffee growers can have their soil tested and get advice from agronomists about the right fertilizer for their land, learn about disease-resistant trees, current best practices and more, regardless of whether they sell to Starbucks. Starbucks has farmer support centers in nine coffee-growing regions around the world, devoted to sharing information with farmers. The company's goal is to train 200,000 coffee farmers in best practices by 2020. The first support center launched in 2004 in Costa Rica.

'We do it because it's the right thing to do,' said Nuno. 'Our job is to help them ***produce*** to the capacity of their plot of land.'

Carolina Castaneda, director of the Colombian Coffee Growers Federation's European office, credited Starbucks with helping Colombia 'spread the coffee consumption message globally.'

'We are ***strategic*** partners on sustainability issues and we hope we can continue working together,' said Castaneda.

Kelly Goodejohn, Starbucks ethical sourcing director, said supporting farmers helps meet a real need for more high-quality coffee. The company is one of the largest purchasers in the world of Colombian arabica coffee, considered the top quality - but the need is growing.

Climate change, market fluctuations and pests that cause disease in coffee trees make farmers vulnerable - and, increasingly, make coffee farming less appealing to the next generation, said Goodejohn. Globally, the average age of a coffee farmer is 57, she noted.

'(Starbucks is) growing and so we need more high-quality coffee,' she said. With the support center and the ***programs*** to offer loans to farmers, 'we have a wrap-around approach that helps coffee farmers see a future and a prosperity that makes the next generation willing to go into farming.'

Speaking from the support center on a recent morning, Nuno's thoughts return to those he works with every day.

'We are touching lives at all ends,' he said, 'from people at the front of the counter ordering a latte to the coffee grower.'

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** July 12, 2017

**End of Document**



[***-S&W Seed co. Announces Second Quarter Fiscal 2018 Financial Results***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RMK-10W1-JD3Y-Y3PF-00000-00&context=1516831)

ENP Newswire

February 12, 2018 Monday

Copyright 2018 Normans Media Limited All Rights Reserved



**Length:** 3006 words

**Body**

SACRAMENTO, California - S&W Seed Company (Nasdaq: SANW) today announced financial results for the second quarter of fiscal year 2018 ended December 31, 2017.

Mark Wong, president and chief executive officer of S&W Seed Company, commented, 'We continue to make progress on the strategy I laid out when I took over as CEO in June 2017. During the last couple of months, our ***strategic*** analysis has identified key markets for initial expansion of our hybrid sorghum and sunflower seed ***programs*** to maximize return, while managing our risk profile. We have also advanced our focus on key trait technologies within our alfalfa, sorghum, and sunflower ***programs*** where we believe there are underserved opportunities where we can add value to farmers and end customers. Finally, we are engaging in discussions on a future direction of our stevia ***program*** that we believe will warrant the highest probable outcome for success. These ***strategic*** evaluations and decisions were made against the backdrop of continued improvements within our historical operations where gross profit margins increased by 130 basis points to 22.8%, from the second quarter of the prior year.'

'During the second quarter we executed against our distribution ***plan*** with Pioneer, to which we shipped approximately $ 15.3 million of seed. The Saudi Arabian markets continue to remain uncertain as dairy and hay farmers determine what the new equilibrium in the market will look like. We believe the Saudi consumers will continue to demand fresh milk and forages for their livestock, which will require the importation of alfalfa hay from surrounding regions in the Middle East and Northern Africa (MENA), as well as regions around the world such as North and South America, to feed local Saudi-based livestock. Ultimately, we believe the global alfalfa markets will return to historical levels, and with our vast distribution network around the world, we believe we are positioned to maintain and grow our market share in the coming years.'

Wong concluded, 'I am pleased with the progress we have made in our strategy to balance the long-term focus on trait improvements and new crop introductions, such as sorghum, sunflower and stevia, with a near-term focus on becoming a more efficient and successful production, marketing and sales organization within alfalfa. We continued to strengthen the balance sheet with a successfully completed rights offering in December 2017, which, when coupled with our private placement in July 2017, has significantly improved our balance sheet position. I want to thank our existing stockholders for their continued support and look forward to driving value for them in the years to come.'

Second Quarter Fiscal Year 2018 Financial Highlights and Recent Corporate Developments:

Revenue during the second quarter of fiscal 2018 was $ 20.5 million compared to $ 24.2 million in the second quarter of the prior year;

Gross profit margins improved by 130 basis points to 22.8%, compared to gross profit margins of 21.5% in the second quarter of fiscal 2017 as the Company continues to execute on its gross margin expansion initiatives;

Adjusted EBITDA (see Table B) of $ 1.6 million for the second quarter of fiscal 2018, compared to $ 2.2 million in the second quarter of fiscal 2017;

GAAP net loss (see Table A-1) of $(400,000), or $(0.02) per basic and diluted share during the second quarter of fiscal 2018, compared to GAAP net income of $ 1.2 million, or $ 0.07 per basic and $ 0.01 per diluted share, in the second quarter of fiscal 2017;

Adjusted non-GAAP net loss (see Table A-1) of $(20,000), or $ 0.00 per basic and diluted share during the second quarter of fiscal 2018, compared to adjusted non-GAAP net income of $ 467,000, or $ 0.03 per basic and diluted share, in the second quarter of fiscal 2017; and

Completed a fully back-stopped rights offering in December 2017 at $ 3.50 per share raising an aggregate of $ 12.25 million.

Market Outlook:

Based on information currently available to management, S&W expects to deliver results at the low end of the range of previous guidance for fiscal 2018, which was approximately $ 75 to 80 million in revenue and $ 4.0 and $ 5.5 million in Adjusted EBITDA.

Quarterly Results

For the second quarter of fiscal year 2018 ended December 31, 2017, S&W reported revenue of $ 20.5 million compared to revenue of $ 24.2 million in the second quarter of fiscal 2017. The decrease was largely attributable to a decrease of sales directed to the Saudi Arabia markets as a result of water regulations in Saudi Arabia, coupled with timing of shipments to the domestic market.

Gross margins during the second quarter of fiscal 2018 improved 130 basis points to 22.8% compared to gross margins of 21.5% in the second quarter of fiscal 2017. This improvement in gross profit margins was primarily due to product sales mix during the current period where we had a higher concentration of sales, as a percentage of total revenue, to DuPont; coupled with reductions of product costs of proprietary seed. This improvement in margin is consistent with management's previously discussed initiatives to drive improvements in gross margins.

Operating expenses (see Table A-1) during the second quarter of fiscal 2018 were $ 4.16 million, compared to $ 4.18 million in the second quarter of fiscal 2017.

GAAP net loss for second quarter of fiscal 2018 was $(400,000), or $(0.02) per basic and diluted share, compared to GAAP net income of $ 1.2 million, or $ 0.07 per basic and $ 0.01 per diluted share, in the second quarter of fiscal 2017.

Adjusted non-GAAP net loss (see Table A-1) for the second quarter of fiscal 2018, excluding certain items (transaction costs, change in derivative warrant liabilities and interest expense - amortization of debt discount), was $(20,000), or $ 0.00 per basic and diluted share. Adjusted non-GAAP net income (see Table A-1) for the second quarter of fiscal 2017, excluding various items (change in derivative warrant liabilities, change in contingent consideration obligation, and interest expense - amortization of debt discount), was $ 467,000, or $ 0.03 per basic and diluted share.

Adjusted EBITDA (see Table B) for the second quarter of fiscal 2018 was $ 1.6 million, compared to adjusted EBITDA of $ 2.2 million for the second quarter of fiscal 2017.

Conference Call

S&W Seed Company has scheduled a conference call for today, Thursday, February 8, 2018, at 4:30 pm ET (1:30pm PT) to review the results. Interested parties can access the conference call by dialing (844) 861-5498 or (412) 317-6580 or can listen via a live Internet webcast, which is available in the Investor Relations section of the Company's website at [*http://www.swseedco.com/investors*](http://www.swseedco.com/investors). A teleconference replay of the call will be available for three days at (877) 344-7529 or (412) 317-0088, confirmation # 10116764. A webcast replay will be available in the Investor Relations section of the Company's website at   [*http://www.swseedco.com/investors*](http://www.swseedco.com/investors) for 30 days.

Non-GAAP Financial Measures

In addition to financial results reported in accordance with accounting principles generally accepted in the United States of America ('GAAP'), the Company has provided the following non-GAAP financial measures in this release and the accompanying tables: adjusted EBITDA, adjusted non-GAAP net income (loss) and adjusted earnings (loss) per share. S&W uses these non-GAAP financial measures internally to facilitate period-to-period comparisons and analysis of its operating performance and liquidity, and believes they are useful to investors as a supplement to GAAP measures in analyzing, trending and benchmarking the performance and value of the Company's business. However, these measures are not intended to be a substitute for those reported in accordance with GAAP. These measures may be different from non-GAAP financial measures used by other companies, even when similar terms are used to identify such measures.

Additionally, the Company has not reconciled its adjusted EBITDA outlook for fiscal 2018 to net income (loss) because it does not provide an outlook for the other line items that are reconciling items between net income (loss) and adjusted EBITDA. As items that impact net income (loss) are out of the Company's control and cannot be reasonably predicted, the Company is unable to provide such an outlook. Accordingly, reconciliation of adjusted EBITDA outlook to net income (loss) for fiscal 2018 is not available without unreasonable effort. For reconciliations of historical non-GAAP financial measures to the most comparable financial measures under GAAP, see Tables A-1, A-2 and B accompanying this release.

In order to calculate these non-GAAP financial measures, the Company makes targeted adjustments to certain GAAP financial line items found on its Consolidated Statement of Operations, backing out non-recurring or unique items or items that the Company believes otherwise distort the underlying results and trends of the ongoing business. The Company has excluded the following items from one or more of our non-GAAP financial measures for the periods presented:

Selling, general and administrative expenses; operating expenses. We exclude a portion of SG&A expense and operating expenses related to transaction expenses related to acquisitions and financings. Acquisition-related expenses include transaction fees, due diligence costs and other direct costs associated with our acquisitions. These amounts are unrelated to our core performance during any particular period and are impacted by the timing of the acquisition. We exclude acquisition-related expenses from our SG&A expense and total operating expenses to provide investors a method to compare our operating results to prior periods and to peer companies, as such amounts can vary significantly based on the frequency of acquisitions and the magnitude of acquisition expenses.

Changes in derivative warrant liabilities. Change in derivative warrant liabilities are related to the change in fair value of the warrants issued in conjunction with our Convertible Debentures issued in December 2014. These amounts are non-cash gains and/or losses, and are unrelated to our core performance during any particular period. We believe it is useful to exclude these amounts in order to better understand our business performance and allow investors to compare our results with peer companies.

Changes in contingent consideration obligations. Change in contingent consideration obligations is related to the change in fair value of the contingent consideration potentially owed to DuPont Pioneer and the sellers of SVG Genetics as a result of the previously announced acquisitions. These amounts are non-cash gains and/or losses, and are unrelated to our core performance during any particular period. We believe it is useful to exclude these amounts in order to better understand our business performance and allow investors to compare our results with peer companies.

Loss on equity method investment. Losses from our equity method investment are related to our portion of losses incurred from our joint venture in Argentina. These amounts are unrelated to our core performance during any particular period, and therefore, we believe it is useful to exclude these amounts in order to better understand our business performance and allow investors to compare our results with peer companies.

Interest expense - amortization of debt discount. Amortization of debt discount and debt issuance costs are related to our Convertible Debentures and warrants issued in December 2014 as well as our working capital lines of credit and term loans. These amounts are non-cash charges and are unrelated to our core performance during any particular period. We believe it is useful to exclude these amounts in order to better understand our business performance and allow investors to compare our results with peer companies.

Non-GAAP Tax Rate. The estimated non-GAAP effective tax rate adjusts the tax effect to quantify the tax consequences of the excluded non-GAAP items.

Descriptions of the non-GAAP financial measures included in this release and the accompanying tables are as follows:

Adjusted net income (loss) and non-GAAP earnings (loss) per share. We define non-GAAP net income (loss) as net income (loss) less non-recurring transaction charges, change in derivative warrant liabilities, change in contingent consideration obligation, interest expense - amortization of debt discount, and loss on equity method investment. However, in order to provide a complete picture of our recurring core business operating results, we also exclude from non-GAAP net income (loss) the tax effects of these adjustments. We used an effective tax rate that we believe would be applied had our income approximated the non-GAAP net income (loss) for the presented periods. We caution investors that the tax effects of these adjustments are based on management's estimates. We believe that these non-GAAP financial measures provide useful supplemental information for evaluating our operating performance.

Adjusted EBITDA is a non-GAAP financial measure that we define as GAAP net income (loss), adjusted to exclude transaction costs, depreciation and amortization, non-cash stock-based compensation, foreign currency (gain) loss, change in derivative warrant liabilities, change in contingent consideration obligation, loss on equity method investment, interest expense - amortization of debt discount, interest expense - convertible debt and other, and provision (benefit) for income taxes. We believe that the use of adjusted EBITDA is useful to investors and other users of the Company's financial statements in evaluating our operating performance because it provides them with an additional tool to compare business performance across companies and across periods. We use adjusted EBITDA in conjunction with traditional GAAP operating performance measures as part of our overall assessment of our performance, for ***planning*** purposes, including the preparation of our annual operating budget, to evaluate the effectiveness of our business strategies and to communicate with our board of directors concerning our financial performance. Management does not place undue reliance on adjusted EBITDA as its only measure of operating performance. Adjusted EBITDA should not be considered as a substitute for other measures of financial performance reported in accordance with GAAP.

About S&W Seed Company

Founded in 1980, S&W Seed Company is a global ***agricultural*** company headquartered in Sacramento, California. S&W's vision is to be the world's preferred proprietary seed company which supplies a range of forage and specialty crop products that supports the growing global demand for animal proteins and healthier consumer diets. S&W is a global leader in alfalfa seed, with significant research and development, production and distribution capabilities. S&W's capabilities span the world's alfalfa seed production regions, with operations in the Western United States, including the San Joaquin and Imperial Valleys of California, Australia, and Canada, and S&W sells its seed products in more than 30 countries around the globe. S&W also provides hybrid sorghum and sunflower, and is utilizing its research and breeding expertise to develop and ***produce*** stevia, the all-natural, zero calorie sweetener for the food and beverage industry. For more information, please visit   [*www.swseedco.com*](http://www.swseedco.com).

Safe Harbor Statement

This release contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 'Forward-looking statements' describe future expectations, ***plans***, results, or strategies and are generally preceded by words such as 'may,' 'future,' '***plan***' or '***planned***,' 'will' or 'should,' 'expected,' 'anticipates,' 'draft,' 'eventually' or 'projected.' Forward-looking statements in this release include, but are not limited to, statements concerning the added value to farmers and end customers through advancement of our focus on key trait technologies, the probability of success in the future direction of our stevia ***program***, our expectations of demand for our products from the Saudi Arabian markets, the anticipated return of global alfalfa markets to historical levels, our position to maintain and grow our market share in the coming years and our ability to drive value for our stockholders in the future . You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the risk that our ***strategic*** initiatives may not achieve the expected results, and risks associated with our ability to successfully optimize and commercialize our business. These and other risks are identified in our filings with the Securities and Exchange Commission, including, without limitation, our Annual Report on Form 10-K for the year ended June 30, 2017 and in our other filings subsequently made with the Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made. We do not undertake any obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events or otherwise.

Financials

For the complete press release including financial tables, please click here.   [*http://swseedco.com/assets/SANW\_PR020818.pdf*](http://swseedco.com/assets/SANW_PR020818.pdf)

Contact:

Robert Blum, Joe Dorame, Joe Diaz

Lytham Partners, LLC

602-889-9700

[*sanw@lythampartners.com*](mailto:sanw@lythampartners.com)

[*www.lythampartners.com*](http://www.lythampartners.com)

Matthew Szot

Chief Financial Officer

S&W Seed Company

559-884-2535

[*www.swseedco.com*](http://www.swseedco.com)

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** February 12, 2018

**End of Document**



[***Foyle Food Group grows turnover £300m***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PKC-XHW1-JCDY-V1W7-00000-00&context=1516831)

Irish News

September 25, 2017 Monday

Copyright 2017 The Irish News Limited All Rights Reserved



**Section:** A4F2

**Length:** 281 words

**Body**

DERRY meat processor Foyle Food Group has reported increases in turnover, profits and staff numbers as the firm continues a long-term investment ***programme***.

The Campsie-headquartered firm has grown its turnover by 3 per cent from £297.2 million to £306.1 million, based on sales which total £284.6 million.

The group and its subsidiaries also posted a substantial increase in pre-tax profit of 36 per cent to £4.1 million for the year ending December 2016.

Total comprehensive income rose by 38 per cent from £3.2 million to £4.4 million in a strong year for the Derry group.

The company results further show that staff numbers increased from 1,007 to 1,033, with the wage bill rising to over £25 million, while both gross and operating profit margins rose marginally over the year.

In the ***strategic*** report accompanying the accounts the directors said they were “pleased” with both the result for the year and the group position at the year end. They further outlined future ***plans*** for growth.

“The Group intends to continue its commitment to capital investment to provide high quality products and services to its customers. There are many challenges facing the ***agricultural*** markets including sourcing supply and the challenge of competitors.

“The Group believes it is well positioned to meet these future challenges and opportunities within this challenging market-place,” they said.

The group is wholly owned by the Acheson family and now in its fourth decade.

The business is one of a handful of ***producers*** in Europe with approval to export to the United States.

The firm’s parent company is Faughan Limited, which recorded a profit of £2.8 million for the financial year ending December 31 last.

**Load-Date:** September 28, 2017

**End of Document**



[***North American Income Trust (The) Annual -5-***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S03-T891-JCXB-2303-00000-00&context=1516831)

London Stock Exchange Aggregated Regulatory News Service (ARNS)

March 28, 2018 Wednesday 7:00 AM GMT

Copyright 2018 London Stock Exchange All Rights Reserved



**Length:** 1564 words

**Body**

and reputational

damage. The Manager and depositary provide

reports to the Audit Committee

on their operations to ensure

that the regulations under the

AIFM are complied with.

Derivatives

The Company uses The risks associated with derivatives

derivatives primarily contracts are managed within

to enhance the income guidelines set by the Board.

generation of the

Company.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional ***programme*** run by the Aberdeen Group on behalf of a number of investment trusts under its management. The Company's financial contribution to the ***programme*** is matched by the Aberdeen Group. The Aberdeen Group Head of Brand reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make up of that register.

The purpose of the ***programme*** is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of the Company is key and therefore the Company also supports the Aberdeen Group's investor relations ***programme*** which involves regional roadshows, promotional and public relations campaigns.

Duration

The Company does not have a fixed winding-up date, but shareholders are given the opportunity to vote on the continuation of the Company every three years at the Annual General Meeting. The next continuation vote will be at the next AGM in June 2018.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the appropriate knowledge in order to allow the Board to fulfil its obligations. At 31 January 2018 the Board consisted of four males and one female.

Environmental, Social and Human Rights Issues

The Company has no employees as the Board has delegated day to day management and administrative functions to Aberdeen Fund Managers Limited. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined below.

Socially Responsible Investment Policy

The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner and has noted the Aberdeen Group's policy on social responsibility. The Investment Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments as part of its investment process. In particular, the Investment Manager encourages companies in which investments are made to adhere to best practice in the area of corporate governance. It believes that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective, however, is to deliver long term growth on its investments for its shareholders. Accordingly, whilst the Investment Manager will seek to favour companies which pursue best practice in the above areas, this must not be to the detriment of the return on the investment portfolio.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions ***producing*** sources under the Companies Act 2006 (***Strategic*** Report and Directors' Reports) Regulations 2013.

Viability Statement

The Company does not have a formal fixed period ***strategic*** ***plan*** but the Board does formally consider risks and strategy on at least an annual basis. The Board considers the Company to be a long term investment vehicle but for the purposes of this Viability Statement has decided that a period of three years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than three years.

In assessing the viability of the Company over the review period the Directors have focused upon the following factors:

- The principal risks detailed in the ***strategic*** report above and the steps taken to mitigate these risks;

- The ongoing relevance of the Company's investment objective in the current environment;

- The Company is invested in readily realisable listed securities;

- The level of revenue surplus generated by the Company and its ability to achieve the dividend policy. The Company has continued to deliver dividend growth whilst building up revenue reserves which can be used to top up the dividend in tougher times;

- The level of gearing is closely monitored;

- The availability of loan facilities. The Company has a loan facility of $75 million in place until December 2020; and

- The liquidity of the Company's portfolio and the impact of stress testing on the portfolio, including the effects of any substantial future falls in investment values.

Accordingly, taking into account the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this Report. In making this assessment, the Board has considered that matters such as significant economic or stock market volatility, a substantial reduction in the liquidity of the portfolio, or changes in investor sentiment could have an impact on its assessment of the Company's prospects and viability in the future.

Future

Many of the non-performance related trends likely to affect the Company in the future are common across all closed ended investment companies, such as the attractiveness of investment companies as investment vehicles, the impact of regulatory changes and the changes to the pensions and savings market in the UK. These factors need to be viewed alongside the outlook for the Company, both generally and specifically, in relation to the portfolio. The Board's view on the general outlook for the Company can be found in the Chairman's Statement whilst the Investment Manager's views on the outlook for the portfolio are included in their report.

James Ferguson

Chairman

27 March 2018

PORTFOLIO INVESTMENTS

Investment Portfolio - Ten Largest Equity Investments

As at 31 January 2018

Valuation Total Valuation

2018 assets 2017

Company Industry GBP'000 % GBP'000

classification

BB&T

BB&T is a full

service bank that

operates in the

Southeast and Mid-Atlantic

regions of the

United States. Banks 17,853 4.2 16,154

Pfizer

Pfizer Inc. discovers,

develops, manufactures,

and sells healthcare

products worldwide. Pharmaceuticals 16,930 4.0 16,393

CME Group

CME Group Inc.

operates a derivatives

exchange that trades

futures contracts

and options on

futures, interest

rates, stock indexes, Diversified

foreign exchange Financial

and commodities. Services 16,189 3.8 14,436

Chevron

Chevron is an integrated

energy company.

The company has

operations drilling

for crude oil and

natural gas as Oil, Gas

well as refining & Consumable

and selling it. Fuels 15,867 3.7 15,931

Cisco Systems

Cisco Systems,

Inc. designs, manufactures,

and sells Internet

Protocol (IP)-based

networking and

other products

related to the

communications

and information

techology industry

and provide services

associated with

these products Communications

and their use. Equipment 14,606 3.5 10,378

DowDuPont (formerly

Dow Chemical)

DowDuPont operates

as a holding company.

Through its subsidiaries,

it ***produces*** ***agricultural***

chemicals, material

science, and specialty

chemical products. Chemicals 14,350 3.4 16,115

Philip Morris

Philip Morris International

Inc., through its

subsidiaries, manufactures

and sells cigarettes

and other tobacco

products. Tobacco 14,327 3.4 11,079

Proctor & Gamble

The Proctor & Gamble

Company manufactures

and markets consumer Household

products globally. Products 13,964 3.3 6,963

Microsoft

Microsoft manufactures

and licenses software

products for operating

systems, applications,

software development

and internet services. Software 13,362 3.2 12,847

Molson Coors Brewing

Molson Coors Brewing

Co. brews beers

through breweries

in the United States,

Canada and Europe. Beverages 11,817 2.8 9,590

Ten largest equity

investments 149,265 35.3

Investment Portfolio - Other Equity Investments

As at 31 January

2018

Valuation Total Valuation

2018 assets 2017

**Load-Date:** March 28, 2018

**End of Document**



[***-CanniMed to Acquire Up Cannabis Inc. - to Create a Premier Global Cannabis Company***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R14-CPM1-JD3Y-Y2BS-00000-00&context=1516831)

ENP Newswire

November 22, 2017 Wednesday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 2026 words

**Body**

CanniMed Therapeutics Inc. (TSX: CMED) ('CanniMed') and Newstrike Resources Ltd. (TSX-V: HIP) ('Newstrike') are pleased to announce that they have reached a definitive agreement (the 'Arrangement Agreement') pursuant to which CanniMed will acquire all of the outstanding shares of Newstrike (the 'Arrangement'), parent company of Up Cannabis Inc. ('Up Cannabis'), a licensed ***producer*** of cannabis under the Access to Cannabis for Medical Purposes Regulations (ACMPR).

'This is a transformational ***strategic*** acquisition for our company, which will position CanniMed and Up Cannabis together as premium players in the emerging recreational cannabis marketplace, while equally staying true to our mandate to provide the best treatment and care to medical patients,' said Brent Zettl, President and CEO, CanniMed. 'Together, we recognize the importance of brand loyalty and will continue to build products, ***programs*** and resources to showcase our leadership in the cannabis arena.'

Jay Wilgar, President and CEO of Up Cannabis, stated: 'This is a watershed moment for Up Cannabis as we prepare for the opening of the recreational cannabis market opportunity in 2018. This business combination with CanniMed positions our collective team as a clear market leader, and we will work tirelessly to ensure that we keep building a brand and product offering that resonates unequivocally with the market.'

The Arrangement will be by way of a ***plan*** of arrangement pursuant to which each Newstrike shareholder will receive 0.033 CanniMed shares in exchange for each Newstrike share held. Subsequent to closing of the Arrangement, the current CanniMed shareholders will own in aggregate approximately 65 per cent of the combined entity and the Newstrike shareholders will in aggregate own approximately 35 per cent of the combined entity.

Completion of the Arrangement is subject to the approval of shareholders of both companies at special meetings of the shareholders of each company. Newstrike will require the approval of 66 2/3 per cent of the shareholders that vote, by person or in proxy at the meeting, as well as a simple majority of the shareholders that vote, by person or in proxy, at the meeting, excluding certain insiders. CanniMed will require the approval of a simple majority of the shareholders that vote, by person or in proxy, at the meeting. Both companies will be communicating the timing and conduct of those meetings which are expected to be scheduled for early January 2018. Closing of the transaction is anticipated to occur in January 2018.

Arrangement Summary

The Arrangement Agreement provides that Newstrike shareholders will be entitled to receive 0.033 common shares of CanniMed for each Newstrike common share held, representing consideration of approximately C$ 0.505 per Newstrike common share based on the closing price of CanniMed common shares on November 14, 2017. Upon closing of the Arrangement, Newstrike will become a wholly owned subsidiary of CanniMed.

The Arrangement Agreement provides that both parties are subject to nonsolicitation provisions and provides that the board of both companies may, under certain circumstances, terminate the Arrangement in favour of an unsolicited superior proposal, subject to the payment of a termination fee of C$ 5 million by Newstrike to CannMed or C$ 9.5 million by CanniMed to Newstrike, as the case may be. In addition, the Arrangement Agreement includes provisions providing for expense reimbursement of up to $ 600,000 from one party to the other in the event that the agreement is terminated under certain circumstances.

The Arrangement Agreement provides that on closing of the Arrangement, the board of directors of the combined entity will include two persons who will be nominated by Newstrike. In addition, certain shareholders of Newstrike will be entitled to nominate two persons to the CanniMed board of directors at its 2018 annual shareholders' meeting and will have a right to nominate one person to the board at each annual meeting for so long as they hold at least 10 per cent of the outstanding CanniMed shares.

Under applicable TSX rules, the transaction requires the approval of CanniMed shareholders by a majority vote, as the number of CanniMed common shares to be issued exceeds 25 per cent of the total number of outstanding CanniMed common shares.

Closing remains subject to approval of the shareholders of both CanniMed and Newstrike, court approval, the approval of the TSX, applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature.

The Arrangement Agreement contains other customary representations, warranties, covenants and conditions to closing. Additional details of the Arrangement is expected to be provided to Newstrike and CanniMed shareholders in respective information circulars to be mailed in late 2017.

Board Recommendations

The definitive agreement has been approved by the Board of Directors of each of CanniMed and Newstrike and the Boards each recommend that their respective shareholders vote in favour of the Arrangement.

Financial and Legal Advisors

AltaCorp Capital Inc. is acting as financial advisor to CanniMed and has provided a fairness opinion to the CanniMed Board of Directors with Borden Ladner Gervais LLP acting as legal advisor to CanniMed. Cormark Securities Inc. has provided a fairness opinion to the CanniMed Board of Directors.

The Aurora Proposal

On November 15, 2017, CanniMed issued a press release responding to a press release from Aurora Cannabis Inc. ('Aurora') regarding its intention to make an unsolicited offer for all of CanniMed's shares. Since the date of that press release, Aurora has not made a formal offer for CanniMed's shares.

As no formal offer has been made, CanniMed continues to advise shareholders to take NO action with respect to the unsolicited proposal.

In making its recommendation to shareholders to vote in favour of the Arrangement, the Board of Directors of CanniMed considered, among other things, the following: the Newstrike acquisition is accretive and is a highly ***strategic*** entry into the recreational cannabis market; the terms of any Aurora offer are unknown, whereas the transaction with Newstrike has been fully negotiated and contains only reasonable conditions to closing.

About CanniMed Therapeutics Inc.

CanniMed is a Canadian-based, international plant biopharmaceutical company and a leader in the Canadian medical cannabis industry, with 16 years of pharmaceutical cannabis cultivation experience, state-of-the-art, GMP-compliant production process and world class research and development platforms with a wide range of pharmaceutical-grade cannabis products. In addition, the Company has an active plant biotechnology research and product development ***program*** focused on the production of plant-based materials for pharmaceutical, ***agricultural*** and environmental applications.

CanniMed, through its subsidiaries, was the first ***producer*** to be licensed under the Marihuana for Medical Purposes Regulations, the predecessor to the current Access to Cannabis for Medical Purposes Regulations. It was the sole supplier to Health Canada under the former medical cannabis system for 13 years, and has been ***producing*** safe and consistent medical cannabis for thousands of Canadian patients, with no incident of product diversion or recalls.

About Newstrike and Up Cannabis

Newstrike is the parent company of Up Cannabis, a licensed ***producer*** of cannabis that received its cultivation license on December 19, 2016. Newstrike, together with its ***strategic*** partners, is developing a diverse network of high quality cannabis brands.

Notice Regarding Forward Looking Statements

This news release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanniMed and Newstrike to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to our expectations with respect to: the timing and outcome of the proposed acquisition of all the issued and outstanding common shares of Newstrike; the terms of any formal offer by Aurora; the anticipated benefits of the transaction to the parties and their respective security holders; impact of the transaction and enhanced infrastructure on production capabilities and the anticipated timing of the meeting of CanniMed and Newstrike shareholders to consider the transaction and for the closing of the transaction. Often, but not always, forward-looking statements can be identified by the use of words such as '***plans***', 'expects' or 'does not expect', 'is expected', 'estimates', 'intends', 'anticipates' or 'does not anticipate', or 'believes', or variations of such words and phrases or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved. In respect of the forward-looking statements and information concerning the anticipated benefits and completion of the proposed transaction and the anticipated timing for completion of the transaction, CanniMed and Newstrike have provided such statements and information in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail security holder meeting materials; the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court and shareholders approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the transaction and other expectations and assumptions concerning the transaction. There can be no assurance that the proposed transaction will occur, or that it will occur on the terms and conditions contemplated in this news release. The proposed transaction could be modified, restructured or terminated. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of the parties are included in reports on file with applicable securities regulatory authorities.

The forward-looking statements contained in this news release are made as of the date of this release and, accordingly, are subject to change after such date. CanniMed and Newstrike do not assume any obligation to update or revise any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, except as required by applicable law.

None of the Toronto Stock Exchange, TSX Venture Exchange and their Regulation Services Providers accept responsibility for the adequacy or accuracy of this release.

Completion of the Arrangement is subject to a number of conditions, including but not limited to, TSXV and TSX acceptance and if applicable, disinterested shareholder approval. Where applicable, the Arrangement cannot close until the required shareholder approval is obtained. There can be no assurance that the Arrangement will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the Arrangement, any information released or received with respect to the Arrangement may not be accurate or complete and should not be relied upon. Trading in the securities of Newstrike and CanniMed should be considered highly speculative.

Contact:

Dara Willis

Tel: 416-836-9272

Email: [*dhw@cannimed.com*](mailto:dhw@cannimed.com)

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** November 22, 2017

**End of Document**



[***Ivanhoe Mines announces positive findings from independent DFS of Platreef mine***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P57-YWM1-JC0X-H4KN-00000-00&context=1516831)

MarketLine NewsWire (Formerly Datamonitor)

July 31, 2017 Monday 12:00 AM GMT

Copyright 2017 MarketLine All Rights Reserved



**Section:** METALS AND MINING

**Length:** 3183 words

**Highlight:** Ivanhoe Mines has announced positive findings from an independent definitive feasibility study ( DFS ) of the ***planned*** initial four million tons per annum (Mtpa) mine and concentrator in the first phase of development of the company's Platreef platinum, palladium, rhodium, gold, nickel and copper mine.

**Body**

The Platreef Project, which contains the Flatreef Deposit, is a Tier One discovery by Ivanhoe Mines&#39; geologists on the Northern Limb of South Africa&#39;s Bushveld Igneous Complex, the world&#39;s premier platinum ***producing*** region.Ivanhoe Mines ***plans*** to develop the Platreef Mine in three phases: An initial rate of four Mtpa to establish an operating platform to support future expansions; a doubling of production to eight Mtpa; and expansion to a steady-state 12 Mtpa.The independent Platreef DFS covers the first phase of development that would include construction of a state-of-the-art underground mine, concentrator and other associated infrastructure to support initial concentrate production by early 2022. As Phase I is being developed and commissioned, there would be opportunities to refine the timing and scope of subsequent phases of expanded production."The completion of the definitive feasibility study for the first phase of production is another key milestone in Ivanhoe&#39;s ***planned*** transformation of the Platreef Discovery into one of the pre-eminent South African ***producers*** of platinum-group metals," said Mr Friedland."Platreef is a massive, high-grade, long-life and Tier One deposit that will ***produce*** a suite of vital metals, many of which are essential to sustain our urbanizing planet. The nickel and copper by-products are essential in the electric car revolution and the platinum and palladium are equally vital for hydrogen fuel cell technology and catalytic converters to clean the air.""We now have a clear and defined path forward to initial production and subsequent phases of development.

We are confident that the Platreef Project will benefit all of our stakeholders, including the 20 local communities that are our equity partners, for generations to come," Mr Friedland added.Mr Friedland said the results reported in the new study demonstrate Platreef&#39;s robust economics, which first were highlighted in the March 2014 preliminary economic assessment and further reinforced by the January 2015 pre-feasibility study."Now this definitive study has confirmed the technical viability of what is projected to be the world&#39;s lowest-cost, and in time expected to be the largest, single primary ***producer*** of platinum-group metals."Despite lower metal prices used in the definitive feasibility study compared to the 2015 pre-feasibility study , we have maintained the excellent economics of the Platreef Project due, in part, to the mine optimization work completed with assistance from industry-leading experts, such as Whittle Consulting of Melbourne, Australia. Even at today&#39;s spot metal prices, the Platreef Project would generate an operating margin in excess of 40%," Mr Friedland added.Dr Makhesha said: "We are proud to have shared our almost 20 years of exploration and development achievements at Platreef with supportive stakeholders. These stakeholders, including more than 150,000 local Mokopane area residents, see international investment and professionally managed development of natural resources as keys to unlock widely shared opportunities and prosperity."Key features of the Platreef DFS include: Indicated Mineral Resources contain an estimated 41.9 million ounces of platinum, palladium, rhodium and gold with an additional 52.8 million ounces of platinum, palladium, rhodium and gold in Inferred Resources;Enhanced Mineral Reserve containing 17.6 million ounces of platinum, palladium, rhodium and gold - an increase of 13% - following stope optimization and mine sequencing work.Development of a large, safe, mechanized, underground mine with an initial four Mtpa concentrator and associated infrastructure; ***Planned*** initial average annual production rate of 476,000 ounces (oz.) of platinum, palladium, rhodium and gold (3PE+Au), plus 21 million pounds of nickel and 13 million pounds of copper; Estimated pre-production capital requirement of approximately US$1.5 billion, at a ZAR:USD exchange rate of 13 to 1; Platreef would rank at the bottom of the cash-cost curve, at an estimated US$351 per ounce of 3PE+Au ***produced***, net of by-products and including sustaining capital costs, and US$326 per ounce before sustaining capital costs; After-tax Net Present Value (NPV) of US$916 million, at an 8% discount rate; After-tax Internal Rate of Return (IRR) of 14.2%. The actual return to project equity owners is expected to be higher as a result of the significant amount of project financing which is being raised.Ivanhoe Mines indirectly owns 64% of the Platreef Project through its subsidiary, Ivanplats, and is directing all mine development work. The South African beneficiaries of the approved broad-based, black economic empowerment structure have a 26% stake in the Platreef Project. The remaining 10% is owned by a Japanese consortium of ITOCHU Corporation; Japan Oil, Gas and Metals National Corporation; ITC Platinum Development Ltd., an ITOCHU affiliate; and Japan Gas Corporation.The Platreef DFS was prepared for Ivanhoe Mines by principal consultant DRA Global, with economic analysis led by OreWin, and specialized sub-consultants including Amec Foster Wheeler, Stantec Consulting, Murray & Roberts Cementation, SRK Consulting, Golder Associates and Digby Wells Environmental.The DFS economic analysis used life-of-mine (LoM) price assumptions of US$1,250/oz platinum, US$825/oz palladium, US$1,300/oz gold, US$1,000/oz rhodium, US$7.60/lb nickel and US$3.00/lb copper. These prices were based on a review of consensus price forecasts from financial institutions and similar studies that had been published recently.The results of the financial analysis show an after-tax NPV8 of US$916 million, an after-tax IRR of approximately 14% and a payback period of approximately five years. The cash flow estimates have been prepared on a real basis, as at January 1, 2017, and using mid-year discounting to calculate the NPV.Higher nickel and copper grades contribute to lower cash costs for operations on the Northern Limb of South Africa&#39;s Bushveld Igneous Complex, as illustrated by Figure 2.0. Among the current and potential future Northern Limb ***producers***, Platreef&#39;s estimated net total cash cost of US$351 per 3PE+Au ounce, net of copper and nickel by-product credits and including stay-in-business (SIB) capital costs, ranks at the bottom of the cash-cost curve.At a projected production rate of 12 Mtpa, Platreef would be the largest primary platinum-group metals mine in the world, ***producing*** over 1.2 million platinum equivalent ounces per annum (including nickel and copper).Mining zones in the current Platreef mine ***plan*** occur at depths ranging from approximately 700 metres to 1,200 metres below surface. Primary access to the mine will be by way of a 1,104-metre-deep, 10-metre-diameter production shaft (Shaft 2). Secondary access to the mine will be via a 980-metre-deep, 7.25-metre-diameter ventilation shaft (Shaft 1), which is under construction. During mine production, both shafts also will serve as ventilation intakes. Three additional ventilation exhaust raises (Ventilation Raise 1, 2, and 3) are ***planned*** to achieve steady-state production.Mining will be performed using highly productive mechanized methods, including long-hole stoping and drift-and-fill. Each method will utilize cemented backfill for maximum ore extraction. The current mine ***plan*** has been improved over the 2015 PFS mine ***plan*** by optimizing stope design, employing a declining Net Smelter Return (NSR) strategy and targeting higher-grade zones early in the mine life. This strategy has increased the grade profile by 23% on a 3PE+Au basis in the first 10 years of operation and 10% over the life of the mine.The ore will be hauled from the stopes to a series of internal ore passes and fed to the bottom of Shaft 2, where it will be crushed and hoisted to surface.Ivanhoe has declared an increased Probable Mineral Reserve of 17.6 million ounces of platinum, palladium, rhodium and gold, using a declining NSR cut-off of $155/t to $80/t. This increase of 13% follows stope optimization and mine sequencing work, resulting in improved head grades.Metallurgical test work has focused on maximizing recovery of platinum-group elements (PGE) and base metals, mainly nickel, while ***producing*** an acceptably high-grade concentrate suitable for further processing and/or sale to a third party. The three main geo-metallurgical units and composites tested ***produced*** smelter-grade final concentrates of approximately 85 g/t PGE+Au at acceptable PGE recoveries. Test work also has shown that the material is amenable to treatment by conventional flotation without the need for mainstream or concentrate ultrafine re-grinding. Extensive bench scale testwork comprising of open circuit and locked cycled flotation testing, comminution testing, mineralogical characterisation, dewatering and rheological characterisation was performed at Mintek in South Africa, which is an internationally accredited metallurgical testing facility and laboratory.Comminution and flotation test work has indicated that the optimum grind for beneficiation is 80% passing 75 micrometres. Platreef ore is classified as being &#39;hard&#39; to &#39;very hard&#39; and thus not suitable for semi-autogenous grinding; a multi-stage crushing and ball-milling circuit has been selected as the preferred size reduction route.Improved flotation performance has been achieved using high-chrome grinding media as opposed to carbon steel media. The inclusion of a split-cleaner flotation circuit configuration, in which the fast-floating fraction is treated in a cleaner circuit separate from the medium- and slow-floating fractions, resulted in improved PGE, copper and nickel recoveries and concentrate grades.As with the PFS, a two-phased development approach was used for the DFS flow-sheet design. The selected flow sheet comprises a common four Mtpa, three-stage crushing circuit, feeding crushed material to two parallel milling-flotation modules, each with a nominal capacity of two Mtpa. Flotation is followed by a common concentrate thickening, concentrate filtration, tailings disposal and tailings-handling facility.Given the size and potential of the Platreef resource, as demonstrated by the phased expansions outlined in the PEA, Shaft 2 has been engineered with a crushing and hoisting capacity of six Mtpa.This allows for a relatively quick and capital-efficient first expansion of the Platreef Project to six Mtpa by increasing underground development and commissioning a third, two-Mtpa processing module and associated surface infrastructure as required.A further expansion to more than eight Mtpa would entail converting Shaft 1 from a ventilation shaft into a hoisting shaft. This would require additional ventilation exhaust raises, as well as a further increase of underground development, commissioning of a fourth, two-Mtpa processing module and associated surface infrastructure, as described in the PEA as Phase II of the project.The Olifants River Water Resource Development Project (ORWRDP) is designed to deliver water to the Eastern and Northern limbs of South Africa&#39;s Bushveld Complex. The project consists of the new De Hoop Dam, the raised wall of the Flag Boshielo Dam and related pipeline infrastructure that ultimately is expected to deliver water to Pruissen, southeast of the Northern Limb. The Pruissen Pipeline Project is expected to be developed to deliver water onward from Pruissen to the municipalities, communities and mining projects on the Northern Limb. Ivanhoe Mines is a member of the ORWRDP&#39;s Joint Water Forum.The Platreef Project&#39;s water requirement for the first phase of development is projected to peak at approximately 7.5 million litres per day, which is expected to be supplied by the water network. Ivanhoe also is investigating various alternative sources of bulk water, including an allocation of bulk grey-water from a local source.On February 24, 2017, the five-million-volt-ampere (MVA) electrical power line connecting the Platreef site to the South African public electricity utility (Eskom) was energized and now is supplying electricity to Platreef for shaft sinking and construction activities. The new power line, a collaboration between Platreef, Eskom and the Mogalakwena Local Municipality, also established a platform to provide energy to the neighboring community of Mzombane, which previously was without electricity reticulation and supply.Platreef&#39;s electrical power requirement for the phase one, four Mtpa, underground mine, concentrator and associated infrastructure has been estimated at approximately 100 MVA. An agreement has been reached with Eskom for the supply of phase-one power. Ivanhoe chose a self-build option for permanent power that will enable the company to manage the construction of the distribution lines from Eskom&#39;s Burutho sub-station to the Platreef Mine.Shaft 1 sinking continues to advance at a rate of 45 to 50 metres per month, and has reached a depth of 450 metres below surface. Shaft 1 is expected to reach its projected, final depth of 980 metres below surface in 2018. The first lateral development off-shaft at 450 metres below surface is underway. This station will serve as an intermediate water pumping and shaft cable termination station.Early-works surface construction for Shaft 2 began in late May 2017. It includes the excavation of a surface box-cut to a depth of approximately 29 metres below surface and construction of the concrete hitch for the 103-metre-tall concrete headgear (headframe) that will house the shaft&#39;s permanent hoisting facilities and support the shaft collar. The early-works construction is expected to be completed in approximately 12 months.Concentrate off-take discussions are underway with several South African PGM smelters. Ivanhoe Mines has received indications of interest from a number of these parties. Ivanhoe Mines&#39; internal studies forecast sufficient smelting capacity in South Africa for the first phase of production from the Platreef Project. Several off-take agreements may have to be negotiated to achieve optimal terms for the Platreef Project. Technical discussions have begun with the objective of finalizing one or more off-take agreements before the production of first concentrate.On July 19, 2017, Ivanhoe Mines announced the appointment of two leading mine-financing institutions, in addition to the three leading financial institutions appointed earlier this year, to arrange project financing for the development of the Platreef Project. The five Initial Mandated Lead Arrangers (IMLAs) will make best efforts to arrange a total debt financing of up to US$1 billion for the development of Platreef&#39;s first-phase, four Mtpa mine. Preliminary expressions of interest now have been received for approximately US$900 million of the targeted US$1 billion financing. Negotiation of a term sheet is ongoing. In addition, preliminary discussions have commenced with leading financial institutions around the financing of the black economic empowerment partners&#39; contribution to the development capital."The issuance of the definitive feasibility study is a critical step in arranging the project debt financing. The results of the study confirm our belief that the Platreef Project will deliver high operating margins and significant cash flow, even at lower commodity prices," Mr Johansson said.Based on long-term prices, Platreef&#39;s life-of-mine average basket price is US$1,051 per ounce of 3PE+Au ***produced***. Given the project&#39;s total cash cost after credits of US$326 per ounce of 3PE+Au, Platreef&#39;s operating margin is 69% per ounce of 3PE+Au, net of nickel and copper by-products.Platreef&#39;s return on capital invested is 15.0% over the life of the mine. The return to Ivanhoe Mines is expected to exceed this figure given the intention to arrange US$1 billion of project financing for the development of the project.Continuing ***strategic*** discussions concerning Ivanhoe Mines and its projects are intensifying with several significant mining companies and investors across Asia, Europe, Africa and elsewhere. Several investors that have expressed interest have no material limit on the provision of capital.Ivanhoe Mines will provide further comment only if a specific transaction or process is concluded, or if further disclosure is required or deemed appropriate. There can be no assurance that the company will pursue any transaction or that a transaction, if pursued, will be completed.The ***planned*** Platreef Mine is projected to require a full-time workforce of approximately 2,200 within four years of the start of production.Work is progressing well on the implementation of Ivanhoe&#39;s Social and Labour ***Plan*** (SLP), to which the company has pledged a total of R160 million ($12 million) during the first five years, culminating in November 2019. The approved ***plan*** includes R67 million ($5 million) for the development of job skills among local residents and R88 million ($7 million) for local economic development projects.Ivanhoe Mines also has committed to building a community development centre adjacent to the mine as part of the company&#39;s objective of helping to establish a base of qualified, local candidates for jobs at the mine and its associated minerals processing plant.Other goals include equipping people with portable skills to help enable them to become self-employed or to be productively employed in sectors other than mining, such as construction or ***agriculture***.In addition, Ivanhoe ***plans*** to launch five local economic development projects under the SLP that will result in the creation of approximately 800 jobs.During Ivanhoe&#39;s work ***programs***, sample preparation and analyses were performed by accredited, independent laboratories. Sample preparation was accomplished by Set Point laboratories in Mokopane, South Africa. Sample analyses were accomplished by Set Point Laboratories, Johannesburg; Lakefield Laboratory (now part of the SGS Group), Johannesburg; Ultra Trace Laboratory, Perth; Genalysis Laboratories, Perth and Johannesburg; SGS Metallurgical Services, South Africa; Acme, Vancouver; and ALS Chemex, Vancouver. Bureau Veritas Minerals Pty Ltd assumed control of Ultra Trace during June 2007 and is responsible for assay results after that date.Sample preparation and analytical procedures for samples that support Mineral Resource estimation have followed similar protocols since 2001. The preparation and analytical procedures are in line with industry-standard methods for platinum, palladium, gold, nickel and copper deposits. Drill ***programs*** included insertion of blank, duplicate, standard reference material and certified reference material samples. The quality-assurance and quality-control (QA/QC) ***program*** results do not indicate any problems with the analytical protocols that would preclude use of the data in Mineral Resource estimation.Sample security has been demonstrated by the fact that the samples always were attended or locked in the on-site core facility in Mokopane.

**Load-Date:** August 8, 2017

**End of Document**



[***Putin discusses development of Lake Baikal area***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P69-P971-DYRV-301C-00000-00&context=1516831)

BBC Monitoring Former Soviet Union - Political

Supplied by BBC Worldwide Monitoring

August 7, 2017 Monday

Copyright 2017 British Broadcasting Corporation All Rights Reserved



**Length:** 4613 words

**Body**

Text of report "Meeting on development of Baikal natural area August 4, 2017, Tankhoi, Republic of Buryatia" published in English by Russian presidential website on 7 August; name spellings and ellipses are as received:

Vladimir Putin held a meeting on topical issues of the Lake Baikal conservation and environmental development of the Baikal natural area.

Excerpts from the transcript of the meeting on the development of the Baikal natural area

President of Russia Vladimir Putin: Good afternoon, colleagues,

Today we will discuss the issue that we have addressed multiple times, which, however, does not diminish its relevance. We will discuss Baikal and the environmental development of the Baikal nature area.

This territory is, without any doubt, unique, and we all know it very well. It is not only the legacy of our country but, without any exaggeration, the legacy of the entire planet.

Baikal is our pride and a great responsibility. Its conservation for the present and future generations is unquestionably a state priority.

Cleaning up the aftermath of irrational and often irresponsible economic activity in these areas requires particular attention - first, to prevent anything similar from happening in the future, and second, to minimise the accumulated effect.

All this requires our close attention and, of course, substantial financial resources.

Large parts of the Baikal area have been extremely contaminated. Even now that the Baikal pulp and paper mill and the Dzhidinsky tungsten and molybdenum plant have been closed for several years, the accumulated waste continues to pollute the water in the lake and the rivers flowing into it.

The first task that requires immediate action is to eliminate the environmental damage and to carry out full reclamation of the contaminated areas. Please determine the sources of funding, ***plans*** and responsible parties.

In addition, it is necessary to look into the facilities that continue operation. Most of them have worn-out waste treatment facilities and the housing and utilities infrastructure accounts for over 60 percent of the contaminated discharge. Unfortunately, we have to mention the local ***agricultural*** facilities as well. After all, one way or another, ***agricultural*** chemical waste makes its way into Baikal and local rivers.

We must reduce the amount of untreated water discharged into the lake, there is no question about it. This brings us to the second task, which is to upgrade the utilities infrastructure, fast and in a quality manner. It is the regions' responsibility, and they can rely on the federal government's effective support, including the federal targeted ***programme***, Protection of Lake Baikal and Socioeconomic Development of the Baikal Natural Area in 2012-2020.

Dozens of wastewater facilities and solid household waste landfills have been built under the ***programme***. Consistent measures are being taken against wildfires and poaching. The ***programme*** contributes to preservation of the local ecosystem, rare animals and plants. Over 2012-2016, more than 10 billion rubles were allocated - although I should add that the ***plan*** was to provide even more.

I believe it is necessary to consider extending the ***programme*** and particularly focus on the spending efficiency and priority expenses.

The third task is to ensure environmental development of the Baikal natural area in general. Above all, this means a harmonious, rational balance between socioeconomic development, socioeconomic interest and wildlife conservation. Relatively speaking, this problem is very acute in all civilised countries and there are many good and not so good examples of how this problem is resolved.

Baikal's special status places greater demands on any economic activity, which often results in clearly excessive restrictions and we must not forget about this. These restrictions may directly affect the quality of life and the development of local residential areas, hold back businesses and, therefore, the creation of jobs and revenues to the local budgets.

Let's discuss all the factors associated with the special regime of the lake's protection, and together we will determine the best solutions to the problems of environmental and socioeconomic development of the Baikal area. At the same time, it is of fundamental importance to prevent an increase in the man-induced impact on the Baikal ecosystem.

This certainly applies to the tourism industry. We have just discussed this with the region's Governor. Of course, this is a very promising branch of the regional economy - it is interesting and generates revenue and creates jobs. Russian and foreign tourists' interest in Baikal is constantly growing. Up to a million people visit Lake Baikal every year. But there is a reverse side of this generally positive factor: it brings new problems.

The lack of control over backpacking and camping leads to spontaneous landfills on the shore and debris in the water bodies. As for travel agents, their desire to take advantage of the growing demand for Baikal travel often prods them to ignore environmental requirements.

These issues certainly need to be dealt with closely. We need to stimulate businesses' environmental responsibility, for example work out arrangements for co-financing of environmental projects. Special attention should be paid to the development of tight control systems.

In this connection, I ask the Prosecutor General's Office to check the Baikal area for cases of illegal and environmentally harmful activities. I would like to emphasise this: you do not have to check everything, one must certainly know when to stop, but to spot illegal and environmentally harmful activity. And to take appropriate action.

A key role here is assigned to inspectors of specially protected natural areas. Mr Vasily Sutula [director of the Baikal State Nature Biosphere Reserve] has just told us how people work - not only people in the civil service, but also volunteers, for which they are especially thankful.

They must have sufficient resources for their work. I am not only talking about administrative support, but also about good compensation, necessary equipment, gear, and so on.

Let's look at all these issues together.

We need to consult the Finance Ministry. I will not say anything new here: there are all sorts of ideas, such as channelling part of the collected fines and charges directly to the nature reserves and national parks and using these funds to improve their development and protection.

Here I would like to draw your attention to our location. The Baikal Reserve visitor centre is a very good example of combining the tasks of protecting natural areas and developing civilised eco-tourism. This experience should be widely disseminated and popularised, also as part of the Year of the Environment project underway in Russia, as you must know.

The visitor centre employees are real professionals and sincerely dedicated people, and I would like to thank you again, Mr Sutula, and all your colleagues.

Let's move on to the discussion.

And now let us hear from Minister of Natural Resources and Environment Sergei Donskoy. Mr Donskoy, you have the floor.

Minister of Natural Resources and Environment Sergei Donskoy: Mr President, colleagues,

Let me briefly speak on the environmental situation at the Lake Baikal UNESCO World Heritage Site.

In general terms, I should say that the environmental situation in the region has stabilised after the closing of the Baikal pulp and paper plant. In particular, air emissions in the Baikal natural area have fallen by 15 percent during the last four years and more than twice in the central environmental zone. Sewage discharges into the lake have gone down by more than 80 percent.

But at the moment, a number of issues you mentioned still remain; in particular, lake contamination with liquid and solid utility waste. There is also the problem of cumulative environmental damage, including the pulp and paper plant's industrial site, which I will speak about later.

So, the priorities of our activity within the framework of Lake Baikal protection and the environmental development of the area are cleaning up cumulative environmental damage, effective waste disposal and reducing sewage contamination of the lake. It is also important to ensure forest preservation, wildlife conservation and development of special protection areas.

The main environmental development tool is the Protection of Lake Baikal [and Socioeconomic Development of the Baikal Natural Area] federal targeted ***programme***, adopted in 2012. At the moment, the total financing of this ***programme*** in 2012-2020 is around 26 billion rubles. It was 58 billion rubles at first, so it was cut by more than half. Taking that into account, we are now revising our project based on our priorities.

(The Minister gave a detailed account of the efforts to clean up cumulative environmental damage. He said that one of the federal targeted ***programme***'s tasks is to close eight facilities most dangerous for Baikal. Work is in progress at three of them and has begun at five others. It will result in cleaning up over 2,000 ha of land and reducing the volume of waste contaminating the environment to 1,500 tonnes. Sewage treatment plants are under construction. Sergei Donskoy also informed the President about the development of the unified local waste management ***plan***.)

Implementing the unified local waste management ***plan*** will probably become a part of the federal targeted ***programme***. Now the document stipulates establishing 20 disposal sites in the Republic of Buryatia and 11 disposal sites in the Irkutsk Region. At the moment, two facilities are completed in Buryatia and one is still under construction. One facility is completed and one under construction in the Irkutsk Region.

But there should be a public hearing on the waste management ***plan***. The draft law stipulating that such a procedure should be mandatory across the country has been designed and introduced to the Government. We are ***planning*** to adopt it during the autumn session.

Also, an effective tool to combat illegal dumps - the Our Nature system of electronic public oversight - was launched in Baikal. The main purpose of these innovations is to involve people in the detection and prevention of violations in the field of environmental protection. Today, there is a public inquiry for this. You could learn this from the volunteers you met with today.

As for forests. The main goal is to ensure forest conservation and regeneration. Over the past two years, the volume of forest regeneration has increased by 1.5 times up to 41,000 hectares. But we think that the volume should at least double.

One of the constraints today is the lack of quality planting material. In this regard, we ***plan*** to implement a project for the construction of forest seed production centres as part of a public-private partnership, which can provide up to 10 million seedlings a year. This will allow us to step up work on forest restoration.

An additional factor should be the adoption this year of a law on compensatory forest restoration this autumn. The following rule will be introduced: if you cut down a certain number of trees, you must plant the same number. This refers to all sites.

In addition, today there is a legislative ban on sanitation tree cutting in the burnt areas of the central environmental zone of Lake Baikal, so we have drafted an appropriate bill; it has been coordinated and will be submitted to the Government in the near future.

All bills, as I said, should be approved in the autumn session. To this end, we are working with the State Duma now: it is ready to adopt everything this year.

We also made changes to the principle of distributing forest subventions, including an increase in funding for the regions of Siberia and the Far East in 2018, focusing on financing both forest restoration and other activities in the forestry sector, including an increase in spending for the Baikal Region by 20 percent.

I hate to say it, but poaching is still one of the main risks for the biological diversity of Lake Baikal.

(The Minister goes on to briefly mention the measures on which it was decided to concentrate.)

Draft laws have already been prepared, and we think they may be adopted in the autumn session.

To illustrate the effect of poaching, I will give the example of the Baikal omul population decline. Today we released omul fry and spoke with our colleagues. They said the omul population has decreased practically four times in the past decade. Now the spawning population is two times smaller than the average figures for many previous years. It is necessary to release more omul fry. The federal targeted ***programme*** provides for the reconstruction of three out-dated fish factories of the Federal Agency for Fishery, which will also allow us to release more omul.

However, a ban on fishing and an increase in artificial reproduction may ***produce*** no results. We believe it will be difficult to achieve results if the current level of poaching and uncontrolled sale of illegal products, including caviar, stays the same. Therefore, the region should establish a system of supervision over the omul turnover. This is also one of the key tasks.

A few words about Baikal protected natural areas. You have already been told today that this is the place where the first nature reserve was created a hundred years ago. We will celebrate this anniversary this year. Practically one-tenth of all federal protected natural areas are located within the Baikal natural area, and it is clear why.

The recreation potential of national parks is particularly important for Baikal because parks form the main trend for regulated, eco-responsible and educational tourism. We think its development will have a multiplying effect by creating additional jobs, which will also work as an anti-poaching measure.

By the way, this is why we launched the Year of the Environment and specially protected natural areas by opening the unique visitor centre where we are now.

If we are talking in the scope of the entire country, this year the Government has adopted the Russia's Wildlife: Protect and Appreciate priority project. It concentrates all the main ecotourism development areas, including ecotourism at Lake Baikal.

These ***programmes***' implementation will use the public-private partnership mechanism, involving operators with international experience in carrying out complex development projects.

We believe that Baikal's recreation potential - we have already talked about it - is measured in millions of tourists per year, with us ensuring strict compliance with the environmental restrictions. This is what the priority project envisages.

In conclusion, I would like to say that we should continue intense work on all our priority areas of activity. We understand that Baikal's value is timeless, and we should do everything to preserve it for our future generations.

The main results of the measures and the area of activity we are ***planning*** to implement under the federal targeted ***programme*** are listed on the slide, so I will not go through them.

One of the key elements of what we would also like to ask for is to reinstate the original financing of the federal targeted ***programme***, because it is an important tool necessary to implement all the measures ***planned*** in the Baikal natural area, as well as to extend it until 2030. Of course, there is much work to do, and now it is effective until 2020, a short term. We need additional time to implement all these projects. I ask for your support.

Thank you.

[...]

World Wildlife Fund (WWF Russia) Director Igor Chestin: Of course, here at Baikal we cannot but remember that this is where our nature conservation efforts started, in the Barguzinsky Nature Reserve, 100 years ago. This year Russia marks the 100th anniversary of its nature reserve system. Perhaps this is the main topic I would like to address.

Mr President, in 2014, you issued instructions to the Government to adopt a federal law toughening the legal regulation of state nature reserves and national parks, including the ban on seizing land plots and forest areas located within protected natural areas and ban on changing their designated purpose.

I have to inform you that, unfortunately, these instructions have not been fulfilled. Moreover, in 2016, a federal law was passed that allows construction at the so-called allocated biosphere grounds in the national reserves. This decision has not been put in practice anywhere so far but, unfortunately, the law provides an opportunity for such construction. My understanding is that it has something to do with different ideas about tourism, which I think anyone involved in nature conservation sees as a generally useful and beneficial activity.

However, there are different types of tourism. For some, tourism means camping, backpacking and wildlife. For others, it is a five-star resort with a swimming pool, spa and so on. Perhaps, it is time we put an end to this misunderstanding and misinterpretation and determine which forms of tourism are permitted in which areas.

If we speak about nature reserves, I believe the only kind of tourism possible here is educational tourism that does not require any changes to the territory, deforestation for further construction of linear facilities such as roads and power lines; tourism that does not require major construction projects. There could be hotels around the protected natural areas with daily tours. Or hiking, horseback and kayak itineraries for some enthusiasts, with minimum impact on the ecosystem.

National parks are a different story. We know that, for example, Sochi National Park attracts a million visitors every year. There are cultural heritage sites, hotels and historically, the situation there is completely different. But for nature reserves what I said is, I think, the only possible and acceptable kind of tourism. And this must be regulated by the law.

A draft law pursuant to your instructions I have just mentioned was indeed developed and it does solve many of issues raised today. The draft law allows qualifying a limited number of nature reserves as national parks because they do not meet the criteria of nature reserves. For example, Teberdinsky Nature Reserve with Dombai in the centre or the Stolby Nature Reserve in Krasnoyarsk Territory, which gets 300,000 visitors per year. The national park mode of operation suits these territories better.

The draft law also resolves the issue of allocating residential areas, which the representatives of the regions mentioned today. It is good that this very sensitive issue is discussed because for protected natural areas it would be highly irregular to deal with the local residents' problems. But why on Earth should we restrict residents' rights? They were born there and lived there all their lives. Suddenly this burden is imposed without them getting anything in return. It is not a good approach to turn the local population against the system of protected natural areas.

This draft law solves many of these issues. However, unfortunately, it was adopted in 2015 after the first reading only, and is yet to be approved. As it happens, the draft laws that weaken the system and to a large extent even destroy it were quickly approved, while this systemic one that took a long time to be prepared and coordinated, has remained unapproved.

So I propose tasking the Government with ensuring the approval of this draft law - and possibly this year as the text is ready (everything is ready, it is the Year of the Environment and Specially Protected Natural Territories) - which is aimed at strengthening the protection of our reserves and national parks and strict regulation of the types of tourism allowed on these territories, as well as at solving all those issues we are talking about today.

Visiting Baikal, of course, I should also mention the trans-border danger the territory is still facing - namely, the construction of a hydroelectric power station on the Selenga River, in our neighbouring friendly country of Mongolia, and the lack of legal regulation for this issue.

Due to your personal involvement, a year ago, at a meeting with leaders of Mongolia and China, this issue was postponed. However, it is still on the agenda. A possible solution here could be Russia's participation in the existing international legal mechanism - the Convention on Environmental Impact Assessment in a Transboundary Context. I will also add that in 2011, the President of the Russian Federation issued instructions to ratify Russia's accession to this convention. The instructions have not been implemented yet, although the legal framework has been developed by the Ministry of Natural Resources. By the way, this directly concerns environmental assessment, among other things, which has also been mentioned today.

The draft law mentioned by Mr Donskoi has been coordinated with the Russian Union of Industrialists and Entrepreneurs and was developed together with this organisation, as it naturally affects the business. Mr Donskoi himself chaired the meetings of the working groups in the evenings, we worked on them for two months probably. We have arranged everything. The law envisages no environmental assessment of kindergartens and residential buildings anywhere, including the central environmental area. There is a list of facilities that is fully in accordance with the international practice. Based on this list, it is proposed that the environmental assessment be conducted.

Accordingly, there is a request and proposal to task the Government of the Russian Federation with ensuring our country's accession to this convention as an international legal mechanism for solving these issues and facilitating the approval of the draft law developed by the Ministry of Natural Resources, under the guidance of the Ministry, I would say.

I have to note that joining the convention will ease the implementation of other projects in other regions. Suffice it to say, when the Nord Stream pipeline was under construction, in accordance with its international obligations, Gazprom had to undergo a procedure of ***strategic*** environmental assessment, which is absent in our legal framework. Maybe it would be easier to introduce this procedure and have impact on this rather than simply follow external rules? The same applies to Nord Stream 2 and South Stream - this is an opportunity to work in the existing legal framework. I think it is very important.

As regards another issue mentioned here, the wages of inspectors, I will not speak on this, I will simply propose tasking the Government with providing a minimum wage for inspectors of specially protected natural territories at the level of a region's average wages. No absolute figures have to be used here, just the region's average wages, plus health and life insurance. It is obvious that the work of these people, our heroic wildlife rangers, is very risk-prone; their fatalities are not only at the hands of poachers, but also weather conditions and just the conditions they work in. I think this would be hugely important.

In conclusion, I would like to say that it is reasonable to task the Russian Government with establishing an agency on specially protected natural territories. We have 200 federal specially protected natural territories, with a total of 10,000 people. The experience of all the countries that are home to national parks - be it South Africa, Brazil, the United States or Australia, that is, the countries that take pride in their natural resources and want to develop tourism there, just as we do - has shown that this is the most efficient approach. Of course, I mean an agency under the present Ministry of Natural Resources, but working as an independent body. As of today, all these territories fall under the responsibility of the Ministry's departments, and I think this administrative resource is not enough, and it should be increased.

Thank you.

Vladimir Putin: Thank you very much.

Mr Chestin, as regards experiential tourism to preserved areas - you propose banning construction of facilities altogether?

Igor Chestin: Temporary facilities are necessary. For instance, portable toilets and shelters are installed there so that people could spend the night. Overall, these are wildlife territories that are becoming more and more popular.

Just two weeks ago, I returned from the Caucasus Natural Reserve. I was astonished at the fact that with hundreds of tourists, there was not a single piece of paper or a cigarette butt, it was absolutely clean everywhere, and no loud music. That is why people are able to hike and can see animals all around - bears, aurochs and gazelles. However, if we get a road or a power transmission line built there - the situation will change.

Vladimir Putin: They hike and see bears, and bears can see them as well?

Igor Chestin: A bear can see them as well. But bears are calm in the Caucasus.

Vladimir Putin: Here on Lake Baikal the situation is quite different - if I understood the governor correctly, millions of people visit Baikal, and there is a waste issue. The question is how to properly organise this work.

I like what you are saying, and I like your proposal. I am simply thinking of what should to be done in such territories as this one... just leave it as it is and let people leave their litter there?

Igor Chestin: This is a zoning issue - the shore and the slope, for instance. Nothing should be built on slopes. On the shore, construction work should be done properly, with water treatment facilities and so on, so we will not endanger the wildlife by doing so. But on the upper areas, people can only hike.

Vladimir Putin: We have to consider this more thoroughly. Overall, this is the approach we should use, I think.

[...]

Vladimir Putin: Regarding the hydroelectric power stations in Mongolia, China is not involved in this issue, this is a Mongolian project. I spoke with my colleagues, but they said they were not going to build on the Selenga River but rather on one of its tributaries, on a small river, and that this allegedly would not have any impact on the environment. But we are in contact with our colleagues, and will work further. I think that a proposal should be considered to hold such environmental assessments at an international level, with a broad discussion. This is certainly the right thing to do. The reasonability of Russia's joining international documents and conventions has to be considered as well. This has to be a comprehensive assessment.

Yes.

Acting Head of the Republic of Buryatia Alexei Tsydenov: Mr President, as regards the Mongolian hydroelectric power stations, we have made a proposal to our Mongolian colleagues to deliver electric power to them. The region ***produces*** more than it needs with the underutilised Gusinoozyorskaya Thermal Power Station. Preliminary assessments shows we will have a competitive price for electric power, judging by what they would receive from us and what they would receive from their hydroelectric power stations, taking into account the amount of investment needed for these stations. With the hydroelectric power stations, they will have to get loans from China, as is currently their ***plan***. With us, they will not have to.

I would like to ask you to issue instructions to work out together with the Energy Ministry the balance of electric power and the volume of investment so we could make an official proposal to our Mongolian colleagues on the terms and the price.

Vladimir Putin: Fine, let us include this in the instructions, and the Energy Ministry will make the calculations.

Thank you very much.

Source: President of the Russian Federation website in English 7 Aug 17

**Load-Date:** August 7, 2017

**End of Document**



[***Apec looks at food security amidst climate change***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S2R-VM51-F17J-S397-00000-00&context=1516831)

Asia News Network

August 22, 2017 Tuesday

Copyright 2017 Asia News Network All Rights Reserved



**Length:** 927 words

**Byline:** News Desk

**Body**

The Policy Partnership on Food Security (PPFS) meeting was held in Can Tho yesterday during the APEC Food Security Week to shape actions to ensure food security in the context of climate change and urbanisation.

PPFS members updated the two-day meeting on outcomes of completed and ongoing activities for 2017, and discussed and approved the action ***plans*** to implement the APEC Framework for Multi-Year APEC ***Programme*** on Food Security and Climate Change and APEC ***Strategic*** Framework for Rural-Urban Development to Strengthen Food Security and Quality Growth.

Deputy Minister of ***Agriculture*** and Rural Development Le Quoc Doanh said ***agriculture*** depends much on climate.

“The earth’s temperature rise has been challenging ***agriculture*** with disease spread, unstable productivity, serious droughts, freshwater scarcity, loss of bio-diversity, and others.”

Urbanisation, despite its advantages like job creation, infrastructure development and raising incomes, also brings difficulties like insufficient lands for food production.

“Vietnam has taken serious measures and made fundamental changes. In large parts of the farm sector, the monitoring of agronomic practices for sustainability standards, natural resource management, waste management, and energy efficiency have been mainstreamed, balancing economic growth and environmental sustainability, as specifically stated in the ***Agricultural*** Restructuring ***Plan***.”

Given the unprecedented impacts of climate change, and also impacts of urbanisation, a stronger focus is needed on enhancing food security and sustainable, more resilient ***agriculture*** and quality growth through better use of advanced technologies and enhancement of regional and global food value chains, he said.

“Food security requires APEC economies to take collective action.”

APEC economies need to strengthen co-operation to improve governance and efficient use of natural resources while securing long-term food supply, and APEC should find ways to facilitate the transfer and application of technologies to increase ***agricultural*** productivity, quality, sustainability and resilience, he said.

Incentives to fully engage farmers and the private sector should be shared among APEC members, he added.

“APEC as a whole should work together to create a policy environment to facilitate the participation of farmers, small households and the private sector and strengthen the public - private partnership model to promote food security, he said.

“In a regionalised world of profound challenges, APEC needs to make greater efforts and act as a driver of global growth. It is time for us to turn the commitment we have into actions clarified in the Action ***Plans***.”

Pruthipong Poonthrigobol, PPFS director, said: “The Action ***Plans*** and other ***strategic*** frameworks and work ***programmes*** on the PPFS Roadmap towards Food Security 2020 laid the foundation for our work of attaining the APEC Food System by 2020.

“We would urge member economies to continue the efforts."

**Ocean and fisheries group meeting**

On the same day the APEC Oceans and Fisheries Working Group (OFWG) also began its two-day ninth annual meeting.

It aims to complete the fourth assessment of its work in 2017, review some of its ongoing projects, discuss new projects that have recently been included in its agenda, and go over the goals of the next annual meeting, according to Patrick E. Moran, lead shepherd of APEC-OFWG.

Moran, who will chair the second official joint meeting of OFWG along with other APEC working groups including the PPFS on Wednesday, stressed the importance of the joint meeting, saying that one of the large projects and action ***plan*** adopted by PPFS were closely connected with the work of the OFWG.

He said the OFWG would focus mostly on areas where it could collaborate more effectively with PPFS.

"It’s very important now that we have access to PPFS’s process that we can engage and bring our work to them and demonstrate how fisheries and oceans are an important part of the food security dialogue."

According to a report by OFWG, APEC members account for over 80 per cent of global aquaculture production and more than 65 per cent of capture fisheries.

The consumption of fishery products in the APEC region is 65 percent higher than the world average. As APEC economies represent nine of the top 10 fish ***producers*** in the world, APEC’s focus on oceans and fisheries issues is natural.

Speaking on the sidelines of the meeting, Moran told *Viet Nam News* that food security is a very important part of APEC economies, yet in the past the food security dialogues in APEC were all about rice, wheat, corn, etc.

"It took us a long time to explain how fisheries is an important part of that dialogue as well, particularly in the region."

He said that since APEC Food Security Week would be held every year, OFWG would try to figure out how it could co-ordinate with PPFS so that everyone’s work goes in the right direction.

"We are going to work hard to make sure we can bring added value to the food security discussion.”

Tran Dinh Luan, deputy general director of the Ministry of ***Agriculture*** and Rural Development’s Directorate of Fisheries, said since OFWG’s meeting in February in Nha Trang APEC economies have already joined hands to take significant strides towards the implementation of the working group’s ***strategic*** ***plan***.

The outcomes of its meeting in Can Tho would serve as important inputs for high-level APEC policy dialogues on enhancing food security and sustainable ***agriculture*** in response to climate change and for APEC’s co-operation direction, he added.

**Source:** Viet Nam News (Vietnam)

**Graphic**

Fish caught at Sam Son Beach, central Thanh Hoa Province.

**Load-Date:** May 11, 2018

**End of Document**



[***USDA effort to maintain integrity of organic imports questioned***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PTJ-JF91-JC6M-X1G4-00000-00&context=1516831)

FeedNavigator.com

October 27, 2017 Friday 7:32 AM GMT+1

Copyright 2017 William Reed Business Media Ltd. All Rights Reserved

**Section:** REGULATION

**Length:** 723 words

**Byline:** Aerin Einstein-curtis, , [*Aerin.Curtis@wrbm.com*](mailto:Aerin.Curtis@wrbm.com)

**Body**

A series of proposed instructions for certifying imported organic products may not go far enough to address concerns of market integrity, says analyst.

The US Department of ***Agriculture*** (USDA) released a set of interim <strong>[*instructions*](https://www.ams.usda.gov/sites/default/files/media/NOP4013IntegrityOrganicImports.pdf)​</strong>​ and best practices regarding ways to maintain the integrity of organic imports on Wednesday.

Anne Ross, farm policy analyst with the Cornucopia Institute, was less than impressed: <em>“While we are pleased the NOP [National Organic ***Program***] is providing certifiers guidance in this area, the instruction is an ineffective substitute for meaningful regulatory reform,”</em>​ she added.

<em>“Unscrupulous actors will continue to find ways to import organic grains into the US, unless and until, federal agencies implement coordinated, systematic and ***strategic*** testing of imports at US borders,”</em>​ she told FeedNavigator.

The USDA said the instructions highlight best practice and offer examples to aid certifiers in complying with current regulation. They are open to comment until December 26.

<em>“International supply chains for organic products can be complex, often involving multiple businesses (certified and uncertified) working across international borders</em>​,” said the USDA. <em>“With this growth and complexity have come questions about certifiers’ responsibilities under the regulations for oversight and verification of organic products imported into the United States.”</em>​

Fraud

Earlier this year it was found that several large feed grain shipments imported in the US were fraudulently <strong>[*labeled*](https://www.feednavigator.com/Article/2017/06/01/Reports-of-falsely-labeled-organic-feed-drive-industry-concerns)​</strong>​ as organic grains. Additionally, a recent assessment from the Office of Inspector General suggested <strong>   [*areas*](https://www.feednavigator.com/Article/2017/10/03/US-Better-oversight-of-organic-trade-called-for)​</strong>​ where improvements could be made.

The responsibility of enforcing US organic import regulations should not be placed only on certifiers, said Ross. Nor should major elements be left to individual’s discretion.

<em>“The USDA has to do its part through regulatory reform and unwavering enforcement,”</em>​ she said. The most recent instruction does not provide that, she added.

<em>“The instruction, which consists largely of check-the-box procedures, simply cannot accomplish what tougher regulatory standards and exacting penalties will do in deterring bad actors from importing fake organics,”</em>​ she said. <em>“The instruction does not address a major loophole in the regulatory framework that leaves some importers, distributors, and brokers exempt from certification.”</em>​

Additionally, a complete audit trail that can trace organic imports – preferably with an electronic tracking mechanism – back to the originating farm overseas is needed, she said. And the ability to levy harsher penalties also is essential, said Ross.

Responsibilities and best practices ​

Certifiers have the ability to certify organic handlers and ***producers*** in regards to the USDA organic regulations, the USDA said. They can be either foreign or domestic entities and public or private groups that meet the established requirements.

There also are equivalency arrangements that have been set with other countries to allow for organic trade, said the department. Recognition agreements have been established to allow other governments to accredit certifiers to USDA standards – but their role still is to certify that operations or products meet USDA organic requirements.

Although there are groups that are exempt from certification requirements, certifiers have a series of responsibilities in working with import and export operations; organic farms, ranches and businesses; grains and products; record keeping; audit trail examinations; site inspections and reviewing organic systems ***plans***, the USDA said. Certifiers also need to be aware of handling and the treatment of imported grain.

There also may be times when previous experience has found that obtaining an organic certificate for the last certified operation is not sufficient proof, or even when an organic certificate is not enough documentation to establish a product’s organic integrity, said the USDA.

In such cases, best practices would suggest that a certifier should track back the audit train to establish documents like the organic certificate for a previously involved certified organic operation, phytosanitary certificates or previous invoices to establish compliance.

**Load-Date:** October 27, 2017

**End of Document**



[***Washington: TEXT OF AMENDMENTS***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PH8-R471-F0YC-N319-00000-00&context=1516831)

Impact News Service

September 16, 2017 Saturday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 34090 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 SA 1057. Mr. CARDIN submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: Beginning in section 854, strike paragraph (3) and all that follows through the end of section 855 and insert the following: (3) by adding at the end the following new paragraph: ``(2) When applying the preference for the acquisition of commercial items and nondevelopmental items under this section, priority shall be provided to small businesses for the acquisition of commercial items or nondevelopmental items.''. SEC. 855. INAPPLICABLE LAWS AND REGULATIONS. (a) Review of Determinations Not to Exempt Department of Defense Contracts for Commercial Items and Commercially Available Off-the-shelf Items From Certain Laws and Regulations.--Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall-- (1) review each determination of the Federal Acquisition Regulatory Council pursuant to section 1906(b)(2), section 1906(c)(3), or section 1907(a)(2) of title 41, United States Code, not to exempt contracts and subcontracts described in subsection (a) of section 2375 of title 10, United States Code, from laws such contracts and subcontracts would [[Page S5750]] otherwise be exempt from under section 1906(d) of title 41, United States Code; and (2) revise the Department of Defense Supplement to the Federal Acquisition Regulation to provide an exemption from each law subject to such determination unless the Secretary determines there is a specific reason not to provide the exemption.

(b) Elimination of Certain Contract Clause Requirements Applicable to Commercial Item Contracts.--Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise the Department of Defense Supplement to the Federal Acquisition Regulation to eliminate all regulations promulgated after the date of the enactment of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) that require a specific contract clause for a contract using commercial item acquisition procedures under part 12 of the Federal Acquisition Regulation, except for regulations required by law, unless the Secretary determines on a case-by-case basis that there is a specific reason not to eliminate the requirement. (c) Elimination of Certain Contract Clause Requirements Applicable to Commercially Available Off-the-shelf Item Subcontracts.--Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise the Department of Defense Supplement to the Federal Acquisition Regulation to eliminate all requirements for a prime contractor to include a specific contract clause in a subcontract for commercially available off-the-shelf items unless the inclusion of such clause is required by law or is necessary for the contractor to meet the requirements of the prime contract, unless the Secretary determines on a case-by- case basis that there is a specific reason not to eliminate the requirement. \_\_\_\_\_\_ SA 1058. Mr. CORKER submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: On page 342, line 16, insert after ``may'' the following: ``, with the concurrence of the Secretary of State,''. On page 342, beginning on line 18, strike ``, with the concurrence of the Secretary of State,''. On page 343, line 20, strike ``in consultation with'' and insert ``with the concurrence of''. On page 343, line 25, strike ``in consultation with'' and insert ``with the concurrence of''. On page 344, beginning on line 1, strike ``the congressional defense committees'' and insert ``the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on Armed Services and the Committee on Foreign Affairs of the House of Representatives''. On page 603, line 21, insert after ``may'' the following: ``, with the concurrence of the Secretary of State,''. On page 606, line 21, strike ``the congressional defense committees'' and insert ``the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate and the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives''. On page 632, line 14, strike ``the congressional defense committees'' and insert ``the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate and the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives''. On page 643, beginning on line 6, strike ``the Committees on Armed Services of the Senate and the House of Representatives'' and insert ``the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on Armed Services and the Committee on Foreign Affairs of the House of Representatives''. On page 698, line 20, insert after ``malicious cyber activities'' the following: ``, including those''. On page 729, beginning on line 7, strike ``the congressional defense committees'' and insert ``the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate and the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives''. \_\_\_\_\_\_ SA 1059. Mr. GRAHAM (for himself and Mr. Whitehouse) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle G of title X, add the following: SEC. \_\_\_\_\_. CARRIAGE OF CERTAIN ***PROGRAMMING***. (a) Definitions.--In this section-- (1) the term ``local commercial television station'' has the meaning given the term in section 614(h) of the Communications Act of 1934 (47 U.S.C 534(h)); (2) the term ``multichannel video ***programming*** distributor'' has the meaning given the term in section 602 of the Communications Act of 1934 (47 U.S.C 522); (3) the term ``qualified noncommercial educational television station'' has the meaning given the term in section 615(l) of the Communications Act of 1934 (47 U.S.C 535(l)); (4) the term ``retransmission consent'' means the authority granted to a multichannel video ***programming*** distributor under section 325(b) of the Communications Act of 1934 (47 U.S.C 325(b)) to retransmit the signal of a television broadcast station; and (5) the term ``television broadcast station'' has the meaning given the term in section 76.66(a) of title 47, Code of Federal Regulations. (b) Carriage of Certain Content.--Notwithstanding any other provision of law, a multichannel video ***programming*** distributor may not be directly or indirectly required, including as a condition of obtaining retransmission consent, to-- (1) carry the primary or secondary video stream of any local commercial television station, qualified noncommercial educational television station, or television broadcast station if that stream broadcasts video ***programming*** that is owned, controlled, or financed (in whole or in part) by the Government of the Russian Federation; or (2) lease, or otherwise make available, channel capacity to any person for the provision of video ***programming*** that is owned, controlled, or financed (in whole or in part) by the Government of the Russian Federation. \_\_\_\_\_\_ SA 1060. Mr. GRAHAM (for himself and Mr. Whitehouse) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of title X, add the following: Subtitle H--Bilateral Access to Foreign Data SEC. 1091. SHORT TITLE. This subtitle may be cited as the ``Bilateral Access to Foreign Data Act of 2017''. SEC. 1092. CONGRESSIONAL FINDINGS AND PURPOSE. (a) Findings.--Congress finds the following: (1) Timely access to electronic data held by communications-service providers is an essential component of government efforts to protect public safety and combat serious crime, including terrorism. (2) Such efforts by the United States Government are being impeded by the inability to access the content of data stored outside the United States that is in the custody, control, or possession of communications-service providers that are subject to jurisdiction of the United States. (3) Foreign governments also increasingly seek access to electronic data held by communications service providers in the United States for the purpose of combating serious crime. (4) Communications-service providers face potential conflicting legal obligations when a foreign government orders production of electronic data that United States law may prohibit providers from disclosing. (5) Foreign law may create similarly conflicting legal obligations when the United States Government orders production of electronic data that foreign law prohibits communications-service providers from disclosing. (6) International agreements provide a mechanism for resolving these potential conflicting legal obligations where the United States and the relevant foreign government share a common commitment to the rule of law and the protection of privacy and civil liberties. (b) Purposes.--The purposes of this subtitle are to-- (1) provide authority to implement international agreements to resolve potential conflicting legal obligations arising from cross-border requests for the production of electronic data where the foreign government targets non-United States persons outside the United States in connection with the prevention, detection, investigation, or prosecution of serious crime; and (2) ensure reciprocal benefits to the United States of such international agreements. SEC. 1093. AMENDMENTS TO CURRENT COMMUNICATIONS LAWS. Title 18, United States Code, is amended-- (1) in chapter 119-- (A) in section 2511(2) by adding at the end the following: [[Page S5751]] ``(j) It shall not be unlawful under this chapter for a provider of electronic communication service to the public or remote computing service to intercept or disclose the contents of a wire or electronic communication in response to an order from a foreign government that is subject to an executive agreement that the Attorney General has determined and certified to Congress satisfies section 2523.''; and (B) in section 2520(d), by amending paragraph (3) to read as follows: ``(3) a good faith determination that section 2511(3), 2511(2)(i), or 2511(2)(j) of this title permitted the conduct complained of;''; (2) in chapter 121-- (A) in section 2702-- (i) in subsection (b)-- (I) in paragraph (8), by striking the period at the end and inserting ``; or''; and (II) by adding at the end the following: ``(9) to a foreign government pursuant to an order from a foreign government that is subject to an executive agreement that the Attorney General has determined and certified to Congress satisfies section 2523.''; and (ii) in subsection (c)-- (I) in paragraph (5), by striking ``or'' at the end; (II) in paragraph (6), by striking the period at the end and inserting ``; or''; and (III) by adding at the end the following: ``(7) a foreign government pursuant to an order from a foreign government that is subject to an executive agreement that the Attorney General has determined and certified to Congress satisfies section 2523.''; and (B) in section 2707(e), by amending paragraph (3) to read as follows: ``(3) a good faith determination that section 2511(3), section 2702(b)(9), or section 2702(c)(7) of this title permitted the conduct complained of;''; and (3) in chapter 206-- (A) in section 3121(a), by inserting before the period at the end the following: ``or an order from a foreign government that is subject to an executive agreement that the Attorney General has determined and certified to Congress satisfies section 2523''; and (B) in section 3124-- (i) by amending subsection (d) to read as follows: ``(d) No Cause of Action Against a Provider Disclosing Information Under This Chapter.--No cause of action shall lie in any court against any provider of a wire or electronic communication service, its officers, employees, agents, or other specified persons for providing information, facilities, or assistance in accordance with a court order under this chapter, request pursuant to section 3125 of this title, or an order from a foreign government that is subject to an executive agreement that the Attorney General has determined and certified to Congress satisfies section 2523.''; and (ii) by amending subsection (e) to read as follows: ``(e) Defense.--A good faith reliance on a court order under this chapter, a request pursuant to section 3125 of this title, a legislative authorization, a statutory authorization, or a good faith determination that the conduct complained of was permitted by an order from a foreign government that is subject to executive agreement that the Attorney General has determined and certified to Congress satisfies section 2523, is a complete defense against any civil or criminal action brought under this chapter or any other law.''. SEC. 1094. EXECUTIVE AGREEMENTS ON ACCESS TO DATA BY FOREIGN GOVERNMENTS. (a) In General.--Chapter 119 of title 18, United States Code, is amended by adding at the end the following: ``Sec. 2523. Executive agreements on access to data by foreign governments ``(a) Definitions.--In this section-- ``(1) the term `lawfully admitted for permanent residence' has the meaning given the term in section 101(a) of the Immigration and Nationality Act (8 U.S.C 1101(a)); and ``(2) the term `United States person' means a citizen or national of the United States, an alien lawfully admitted for permanent residence, an unincorporated association a substantial number of members of which are citizens of the United States or aliens lawfully admitted for permanent residence, or a corporation that is incorporated in the United States. ``(b) Executive Agreement Requirements.--For purposes of this chapter, chapter 121, and chapter 206, an executive agreement governing access by a foreign government to data subject to this chapter, chapter 121, or chapter 206 shall be considered to satisfy the requirements of this section if the Attorney General, with the concurrence of the Secretary of State, determines, and submits a written certification of such determination to Congress, that-- ``(1) the domestic law of the foreign government, including the implementation of that law, affords robust substantive and procedural protections for privacy and civil liberties in light of the data collection and activities of the foreign government that will be subject to the agreement, if-- ``(A) such a determination under this section takes into account, as appropriate, credible information and expert input; and ``(B) the factors to be considered in making such a determination include whether the foreign government-- ``(i) has adequate substantive and procedural laws on cybercrime and electronic evidence, as demonstrated by being a party to the Convention on Cybercrime, done at Budapest November 23, 2001, and entered into force January 7, 2004, or through domestic laws that are consistent with definitions and the requirements set forth in chapters I and II of that Convention; ``(ii) demonstrates respect for the rule of law and principles of non-discrimination; ``(iii) adheres to applicable international human rights obligations and commitments or demonstrates respect for international universal human rights, including-- ``(I) protection from arbitrary and unlawful interference with privacy; ``(II) fair trial rights; ``(III) freedom of expression, association, and peaceful assembly; ``(IV) prohibitions on arbitrary arrest and detention; and ``(V) prohibitions against torture and cruel, inhuman, or degrading treatment or punishment; ``(iv) has clear legal mandates and procedures governing those entities of the foreign government that are authorized to seek data under the executive agreement, including procedures through which those authorities collect, retain, use, and share data, and effective oversight of these activities; ``(v) has sufficient mechanisms to provide accountability and appropriate transparency regarding the collection and use of electronic data by the foreign government; and ``(vi) demonstrates a commitment to promote and protect the global free flow of information and the open, distributed, and interconnected nature of the Internet; ``(2) the foreign government has adopted appropriate procedures to minimize the acquisition, retention, and dissemination of information concerning United States persons subject to the agreement; and ``(3) the agreement requires that, with respect to any order that is subject to the agreement-- ``(A) the foreign government may not intentionally target a United States person or a person located in the United States, and shall adopt targeting procedures designed to meet this requirement; ``(B) the foreign government may not target a non-United States person located outside the United States if the purpose is to obtain information concerning a United States person or a person located in the United States; ``(C) the foreign government may not issue an order at the request of or to obtain information to provide to the United States Government or a third-party government, nor shall the foreign government be required to share any information ***produced*** with the United States Government or a third-party government; ``(D) an order issued by the foreign government-- ``(i) shall be for the purpose of obtaining information relating to the prevention, detection, investigation, or prosecution of serious crime, including terrorism; ``(ii) shall identify a specific person, account, address, or personal device, or any other specific identifier as the object of the order; ``(iii) shall be in compliance with the domestic law of that country, and any obligation for a provider of an electronic communications service or a remote computing service to ***produce*** data shall derive solely from that law; ``(iv) shall be based on requirements for a reasonable justification based on articulable and credible facts, particularity, legality, and severity regarding the conduct under investigation; ``(v) shall be subject to review or oversight by a court, judge, magistrate, or other independent authority; and ``(vi) in the case of an order for the interception of wire or electronic communications, and any extensions thereof, shall require that the interception order-- ``(I) be for a fixed, limited duration; and ``(II) may not last longer than is reasonably necessary to accomplish the approved purposes of the order; and ``(III) be issued only if the same information could not reasonably be obtained by another less intrusive method; ``(E) an order issued by the foreign government may not be used to infringe freedom of speech; ``(F) the foreign government shall promptly review material collected pursuant to the agreement and store any unreviewed communications on a secure system accessible only to those persons trained in applicable procedures; ``(G) the foreign government shall, using procedures that, to the maximum extent possible, meet the definition of minimization procedures in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C 1801), segregate, seal, or delete, and not disseminate material found not to be information that is, or is necessary to understand or assess the importance of information that is, relevant to the prevention, detection, investigation, or prosecution of serious crime, including terrorism, or necessary to protect against a threat of death or seriously bodily harm to any person; ``(H) the foreign government may not disseminate the content of a communication of a United States person to United States authorities unless the communication may be disseminated pursuant to subparagraph (G) and relates to significant harm, or the threat thereof, to the United States or United States persons, including crimes involving national security such as terrorism, significant violent crime, child exploitation, [[Page S5752]] transnational organized crime, or significant financial fraud; ``(I) the foreign government shall afford reciprocal rights of data access, to include, where applicable, removing restrictions on communications service providers and thereby allow them to respond when the United States Government orders production of electronic data that foreign law would otherwise prohibit communications-service providers from disclosing; ``(J) the foreign government shall agree to periodic review of compliance by the foreign government with the terms of the agreement to be conducted by the United States Government; and ``(K) the United States Government shall reserve the right to render the agreement inapplicable as to any order for which the United States Government concludes the agreement may not properly be invoked. ``(c) Limitation on Judicial Review.--A determination or certification made by the Attorney General under subsection (b) shall not be subject to judicial or administrative review. ``(d) Effective Date of Certification.-- ``(1) Notice.--Not later than 7 days after the date on which the Attorney General certifies an executive agreement under subsection (b), the Attorney General shall provide notice of the determination under subsection (b) and a copy of the executive agreement to Congress, including-- ``(A) the Committee on the Judiciary and the Committee on Foreign Relations of the Senate; and ``(B) the Committee on the Judiciary and the Committee on Foreign Affairs of the House of Representatives. ``(2) Entry into force.--An executive agreement that is determined and certified by the Attorney General to satisfy the requirements of this section shall enter into force not earlier than the date that is 90 days after the date on which notice is provided under paragraph (1), unless Congress enacts a joint resolution of disapproval in accordance with paragraph (4). ``(3) Consideration by committees.-- ``(A) In general.--During the 60-day period beginning on the date on which notice is provided under paragraph (1), each congressional committee described in paragraph (1) may-- ``(i) hold one or more hearings on the executive agreement; and ``(ii) submit to their respective House of Congress a report recommending whether the executive agreement should be approved or disapproved. ``(B) Requests for information.--Upon request by the Chairman or Ranking Member of a congressional committee described in paragraph (1), the head of an agency shall promptly furnish a summary of factors considered in determining that the foreign government satisfies the requirements of section 2523. ``(4) Congressional review.-- ``(A) Joint resolution defined.--In this paragraph, the term `joint resolution' means only a joint resolution-- ``(i) introduced during the 90-day period described in paragraph (2); ``(ii) which does not have a preamble; ``(iii) the title of which is as follows: `Joint resolution disapproving the executive agreement signed by the United States and \_\_.', the blank space being appropriately filled in; and ``(iv) the matter after the resolving clause of which is as follows: `That Congress disapproves the executive agreement governing access by \_\_\_ to certain electronic data as submitted by the Attorney General on \_\_\_', the blank spaces being appropriately filled in. ``(B) Joint resolution enacted.--Notwithstanding any other provision of this section, if not later than 90 days after the date on which notice is provided to Congress under paragraph (1), there is enacted into law a joint resolution disapproving of an executive agreement under this section, the executive agreement shall not enter into force. ``(C) Introduction.--During the 90-day period described in subparagraph (B), a joint resolution of disapproval may be introduced-- ``(i) in the House of Representatives, by the majority leader or the minority leader; and ``(ii) in the Senate, by the majority leader (or the majority leader's designee) or the minority leader (or the minority leader's designee). ``(5) Floor consideration in house of representatives.--If a committee of the House of Representatives to which a joint resolution of disapproval has been referred has not reported the joint resolution within 60 days after the date of referral, that committee shall be discharged from further consideration of the joint resolution. ``(6) Consideration in the senate.-- ``(A) Committee referral.--A joint resolution of disapproval introduced in the Senate shall be-- ``(i) referred to the Committee on the Judiciary; and ``(ii) referred to the Committee on Foreign Relations. ``(B) Reporting and discharge.--If a committee to which a joint resolution of disapproval was referred has not reported the joint resolution within 60 days after the date of referral of the joint resolution, that committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be placed on the appropriate calendar. ``(C) Proceeding to consideration.--Notwithstanding rule XXII of the Standing Rules of the Senate, it is in order at any time after either the Committee on the Judiciary or the Committee on Foreign Relations, as the case may be, reports a joint resolution of disapproval to the Senate or has been discharged from consideration of such a joint resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. ``(D) Rulings of the chair on procedure.--Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a joint resolution of disapproval shall be decided without debate. ``(E) Consideration of veto messages.--Debate in the Senate of any veto message with respect to a joint resolution of disapproval, including all debatable motions and appeals in connection with the joint resolution, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees. ``(7) Rules relating to senate and house of representatives.-- ``(A) Treatment of senate joint resolution in house.--In the House of Representatives, the following procedures shall apply to a joint resolution of disapproval received from the Senate (unless the House has already passed a joint resolution relating to the same proposed action): ``(i) The joint resolution shall be referred to the appropriate committees. ``(ii) If a committee to which a joint resolution has been referred has not reported the joint resolution within 7 days after the date of referral, that committee shall be discharged from further consideration of the joint resolution. ``(iii) Beginning on the third legislative day after each committee to which a joint resolution has been referred reports the joint resolution to the House or has been discharged from further consideration thereof, it shall be in order to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order. ``(iv) The joint resolution shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except 2 hours of debate equally divided and controlled by the sponsor of the joint resolution (or a designee) and an opponent. A motion to reconsider the vote on passage of the joint resolution shall not be in order. ``(B) Treatment of house joint resolution in senate.-- ``(i) If, before the passage by the Senate of a joint resolution of disapproval, the Senate receives an identical joint resolution from the House of Representatives, the following procedures shall apply: ``(I) That joint resolution shall not be referred to a committee. ``(II) With respect to that joint resolution-- ``(aa) the procedure in the Senate shall be the same as if no joint resolution had been received from the House of Representatives; but ``(bb) the vote on passage shall be on the joint resolution from the House of Representatives. ``(ii) If, following passage of a joint resolution of disapproval in the Senate, the Senate receives an identical joint resolution from the House of Representatives, that joint resolution shall be placed on the appropriate Senate calendar. ``(iii) If a joint resolution of disapproval is received from the House, and no companion joint resolution has been introduced in the Senate, the Senate procedures under this subsection shall apply to the House joint resolution. ``(C) Application to revenue measures.--The provisions of this paragraph shall not apply in the House of Representatives to a joint resolution of disapproval that is a revenue measure. ``(8) Rules of house of representatives and senate.--This subsection is enacted by Congress-- ``(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, and supersedes other rules only to the extent that it is inconsistent with such rules; and ``(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House. ``(e) Renewal of Determination.-- [[Page S5753]] ``(1) In general.--The Attorney General, with the concurrence of the Secretary of State, shall renew a determination under subsection (b) every 5 years. ``(2) Report.--Upon renewing a determination under subsection (b), the Attorney General shall file a report with the Committee on the Judiciary and the Committee on Foreign Relations of the Senate and the Committee on the Judiciary and the Committee on Foreign Affairs of the House of Representatives describing-- ``(A) the reasons for the renewal; ``(B) any substantive changes to the agreement or to the relevant laws or procedures of the foreign government since the original determination or, in the case of a second or subsequent renewal, since the last renewal; and ``(C)

how the agreement has been implemented and what problems or controversies, if any, have arisen as a result of the agreement or its implementation. ``(3) Non-renewal.--If a determination is not renewed under paragraph (1), the agreement shall no longer be considered to satisfy the requirements of this section. ``(f) Publication.--Any determination or certification under subsection (b) regarding an executive agreement under this section, including any termination or renewal of such an agreement, shall be published in the Federal Register as soon as is reasonably practicable. ``(g) Minimization Procedures.--A United States authority that receives the content of a communication described in subsection (b)(3)(H) from a foreign government in accordance with an executive agreement under this section shall use procedures that, to the maximum extent possible, meet the definition of minimization procedures in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C 1801) to appropriately protect nonpublicly available information concerning United States persons.''. (b) Table of Sections Amendment.--The table of sections for chapter 119 of title 18, United States Code, is amended by inserting after the item relating to section 2522 the following: ``2523. Executive agreements on access to data by foreign governments.''. SEC. 1095. RULE OF CONSTRUCTION. Nothing in this subtitle, or the amendments made by this subtitle, shall be construed to preclude any foreign authority from obtaining assistance in a criminal investigation or prosecution pursuant to section 3512 of title 18, United States Code, section 1782 of title 28, United States Code, or as otherwise provided by law. \_\_\_\_\_\_ SA 1061. Mr. McCAIN submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle G of title X, add the following: SEC. 1088. SENSE OF CONGRESS REGARDING UNCONDITIONAL REPEAL OF THE BUDGET CONTROL ACT OF 2011. It is the sense of Congress that-- (1) since the enactment of the Budget Control Act of 2011 (Public Law 112-25; 125 Stat. 240) budget requests have been guided by artificial constraints rather than the realities of the global ***strategic*** environment; (2) sequestration and artificial budget caps on national defense, including nondefense agencies that contribute to the national security, are harmful to the security of the Nation; (3) for the Armed Forces specifically, such constraints on the budget, along with a sustained high operational tempo, have led to a significant degradation in military readiness in the near term, and the threat that the United States will fall behind its adversaries in the long-term; (4) in order to address the degraded state of the Armed Forces and to stop the erosion of the military advantage of the United States, Congress believes that the budget should be based on requirements, rather than arbitrary budget caps; (5) this Act authorizes $659,000,000,000 in discretionary spending for defense within the jurisdiction of the Committee on Armed Services of the Senate, which is spending well above the current caps under the Budget Control Act of 2011; and (6) Congress agrees with the statement that included in the report to accompany S. 1519 (115th Congress), dated July 10, 2017 (Report 115-125) that ``The committee has ongoing concerns about the negative impact of the Budget Control Act of 2011 (P.L 112-25) on the Department of Defense and other agencies that contribute to our national security and supports its unconditional repeal.''. \_\_\_\_\_\_ SA 1062. Mr. VAN HOLLEN (for himself and Mr. Toomey) submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: Subtitle \_\_--Sanctions With Respect to North Korea SEC. \_\_01. SHORT TITLE. This subtitle may be cited as the ``Banking Restrictions Involving North Korea (BRINK) Act of 2017''. SEC. \_\_02. FINDINGS. Congress finds the following: (1) Since 2006, the United Nations Security Council has approved 5 resolutions imposing sanctions against North Korea under chapter VII of the United Nations Charter, which-- (A) prohibit the use, development, and proliferation of weapons of mass destruction by the Government of North Korea; (B) prohibit the transfer of arms and related materiel to or by the Government of North Korea; (C) prohibit the transfer of luxury goods to North Korea; (D) restrict access by the Government of North Korea to the financial system and require due diligence on the part of financial institutions to prevent the financing of proliferation involving the Government of North Korea; (E) restrict North Korean shipping, including the reflagging of ships owned or controlled by the Government of North Korea; (F) limit the sale by the Government of North Korea of precious metals, iron, coal, vanadium, and rare earth minerals; and (G) prohibit the transfer to North Korea of rocket, aviation, or jet fuel. (2) The Government of North Korea has threatened to carry out nuclear attacks against the United States and South Korea and has sent clandestine agents to kidnap or murder the citizens of foreign countries and murder dissidents in exile. (3) The Federal Bureau of Investigation has determined that the Government of North Korea was responsible for cyberattacks against the United States and South Korea. (4) In February 2016, the Director of National Intelligence reported that the Government of North Korea is ``committed to developing a long-range, nuclear-armed missile that is capable of posing a direct threat to the United States'' and some arms control experts have estimated that the Government of North Korea may acquire this capability by 2020. (5) The Government of North Korea tested its 5th and largest nuclear device on September 9, 2016. (6) The Government of North Korea has increased the pace of its missile testing, including the test of a submarine- launched ballistic missile, potentially furthering the development of capability to attack the United States with a nuclear weapon. (7) Financial transactions and investments that provide financial resources to the Government of North Korea, and that fail to incorporate adequate safeguards against the misuse of those financial resources, pose an undue risk of contributing to-- (A) weapons of mass destruction ***programs*** of that Government; and (B) prohibited imports or exports of arms and related materiel, services, or technology by that Government. (8) The strict enforcement of sanctions is essential to the efforts by the international community to achieve the peaceful, complete, verifiable, and irreversible dismantlement of weapons of mass destruction ***programs*** of the Government of North Korea. SEC. \_\_03. DEFINITIONS. In this subtitle: (1) Applicable executive order; applicable united nations security council resolution; government of north korea; north korea.--The terms ``applicable Executive order'', ``applicable United Nations Security Council resolution'', ``Government of North Korea'', and ``North Korea'' have the meanings given those terms in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202). (2) Appropriate congressional committees.--The term ``appropriate congressional committees'' means-- (A) the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate; and (B) the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives. (3) Knowingly.--The term ``knowingly'', with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result. (4) North korean covered property.-- (A) In general.--The term ``North Korean covered property'' includes any goods, services, or technology-- (i) that are in North Korea; (ii) that are made with significant amounts of North Korean labor, materials, goods, or technology; (iii) in which the Government of North Korea or a North Korean financial institution has a significant interest or exercises significant control; or (iv) in which a designated person has a significant interest or exercises significant control. (B) Designated person.--In this paragraph, the term designated person means a person who is designated under-- (i) an applicable executive order; (ii) an applicable United Nations Security Council resolution; or [[Page S5754]] (iii) section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9204). (5) North korean financial institution.--The term ``North Korean financial institution'' includes-- (A) any North Korean financial institution, as defined in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202); (B) any financial agency, as defined in section 5312 of title 31, United States Code, that is owned or controlled by the Government of North Korea; (C) any money transmitting business, as defined in section 5330(d) of title 31, United States Code, that is owned or controlled by the Government of North Korea; and (D) any financial institution that is a joint venture between any person and the Government of North Korea. (6) Secretary.--Unless otherwise specified, the term ``Secretary'' means the Secretary of the Treasury. (7) United states financial institution.--The term ``United States financial institution'' means a financial institution that-- (A) is a United States person, regardless of where the person operates; or (B) operates or does business in the United States, including by conducting wire transfers through correspondent banks in the United States. (8) United states person.--The term ``United States person'' means-- (A) a citizen or resident of the United States or a national of the United States (as defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C 1101(a)); and (B) an entity that is organized under the laws of the United States or any jurisdiction within the United States, including a foreign subsidiary of such an entity. PART I--FINANCIAL REQUIREMENTS AND SANCTIONS RELATING TO TRANSACTIONS INVOLVING NORTH KOREA SEC. \_\_11. SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS PROVIDING SUPPORT TO THE GOVERNMENT OF NORTH KOREA. (a) In General.--Section 201A of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9221a) is amended to read as follows: ``SEC. 201A. SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS PROVIDING SUPPORT TO THE GOVERNMENT OF NORTH KOREA. ``(a) Report on Noncompliant Financial Institutions.-- ``(1) In general.--Not later than 60 days after the date of the enactment of the Banking Restrictions Involving North Korea (BRINK) Act of 2017, and every 180 days thereafter, the President shall submit to the appropriate congressional committees and publish in the Federal Register a report that contains a list of any financial institutions that the President has identified as having engaged in, during the one-year period preceding the submission of the report, the following conduct: ``(A) Dealing in North Korean covered property. ``(B) Providing correspondent or interbank services to one or more North Korean financial institutions. ``(C) Failing to apply enhanced due diligence to prevent North Korean financial institutions from gaining access to correspondent or interbank services in the United States or provided by United States persons. ``(D) Knowingly operating or participating with or on behalf of an offshore United States dollar clearing system that conducts transactions involving the Government of North Korea or North Korean covered property. ``(E) Conducting or facilitating one or more significant transactions in North Korean covered property involving covered goods (as that term is defined in section 1027.100 of title 31, Code of Federal Regulations, or any successor regulation) or the currency of a country other than the country in which the person is operating at the time of the transaction. ``(2) Form of report.--Each report required under paragraph (1) shall be submitted in unclassified form but may contain a classified annex. ``(b) Imposition of Sanctions and Penalties.--If the President determines that a financial institution identified under subsection (a) has knowingly engaged in conduct described in that subsection, the President shall apply one or more of the following with respect to that financial institution: ``(1) Prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of any correspondent account or payable-through account by the financial institution if the financial institution is a foreign financial institution. ``(2) In accordance with the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.), block and prohibit all transactions in all property and interests in property of the financial institution if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. ``(3) In the case of a United States financial institution-- ``(A) if the financial institution has taken reasonable steps to prevent a recurrence of conduct described in that subsection and is cooperating fully with the efforts of the President to enforce the provisions of this Act and the Banking Restrictions Involving North Korea (BRINK) Act of 2017-- ``(i) unless the financial institution is described in clause (ii), the imposition of a civil penalty not to exceed $100,000 for each reportable act described in subparagraphs (A) through (E) of subsection (a)(1) that is knowingly conducted; or ``(ii) if the financial institution has not previously been reported for similar conduct under subsection (a), the issuance of a cautionary letter to that financial institution; or ``(B) if the financial institution is not a financial institution described in subparagraph (A), for each reportable act described in subparagraphs (A) through (E) of subsection (a)(1) that is knowingly conducted, the imposition of a civil penalty not to exceed the greater of-- ``(i) $250,000; or ``(ii) an amount that is twice the amount of the transaction that is the basis of the reportable act with respect to which the penalty is imposed. ``(c) Suspension for Law Enforcement Purposes.--The President may suspend the submission of the reports described in subsection (a) and the application of sanctions and penalties described in subsection (b) for a one-year period if-- ``(1) such reporting and application of sanctions and penalties could compromise an ongoing law enforcement investigation or prosecution; or ``(2) a criminal prosecution is pending, or a criminal or civil fine or penalty has been imposed or conditionally deferred, for the conduct reported pursuant to subsection (a). ``(d) Suspension and Termination of Sanctions and Penalties.-- ``(1) Suspension.--The President may suspend the application of any sanctions or penalties under subsection (b) for a period of not more than one year if the President certifies to the appropriate congressional committees that the Government of North Korea is taking steps toward-- ``(A) the verification of its compliance with applicable United Nations Security Council Resolutions; and ``(B) fully accounting for and repatriating United States citizens and permanent residents (including deceased United States citizens and permanent residents)-- ``(i) abducted or unlawfully held captive by the Government of North Korea; or ``(ii) detained in violation of the Agreement Concerning a Military Armistice in Korea, signed at Panmunjom July 27, 1953 (commonly referred to as the `Korean War Armistice Agreement'). ``(2) Renewal of suspension.--The President may renew a suspension described in paragraph (1) for additional periods of not more than 180 days if the President certifies to the appropriate congressional committees that the Government of North Korea continues to take steps as described in paragraph (1). ``(3) Termination of sanctions.--Subject to subsection (f), the President may terminate the application of any sanctions or penalties under subsection (b) if the President certifies that the Government of North Korea has made significant progress towards-- ``(A) completely, verifiably, and irreversibly dismantling all of its nuclear, chemical, biological, and radiological weapons ***programs***, including all ***programs*** for the development of systems designed in whole or in part for the delivery of such weapons; and ``(B) fully accounting for and repatriating United States citizens and permanent residents (including deceased United States citizens and permanent residents)-- ``(i) abducted or unlawfully held captive by the Government of North Korea; or ``(ii) detained in violation of the Agreement Concerning a Military Armistice in Korea, signed at Panmunjom July 27, 1953 (commonly referred to as the `Korean War Armistice Agreement'). ``(e) Waiver.--Subject to subsection (f), the President may waive the application of sanctions or penalties under subsection (b) with respect to a financial institution if the President determines that the waiver is in the national security interest of the United States. ``(f) Congressional Review of Proposed Actions to Waive or Terminate Sanctions.-- ``(1) Submission to congress of proposed action.-- ``(A) In general.--Notwithstanding any other provision of law, before taking any action described in subparagraph (B), the President shall submit to the appropriate congressional committees and leadership a report that describes the proposed action and the reasons for that action. ``(B) Actions described.--An action described in this subparagraph is-- ``(i) an action to suspend, renew a suspension, or terminate under subsection (d) the application of sanctions or penalties under subsection (b); or ``(ii) with respect to sanctions or penalties under subsection (b) imposed by the President with respect to a person, an action to waive under subsection (e) the application of those sanctions or penalties with respect to that person. ``(C) Description of type of action.--Each report submitted under subparagraph (A) with respect to an action described in subparagraph (B) shall include a description of whether the action-- ``(i) is not intended to significantly alter United States foreign policy with regard to North Korea; or [[Page S5755]] ``(ii) is intended to significantly alter United States foreign policy with regard to North Korea. ``(D) Inclusion of additional matter.-- ``(i) In general.--Each report submitted under subparagraph (A) that relates to an action that is intended to significantly alter United States foreign policy with regard to North Korea shall include a description of-- ``(I) the significant alteration to United States foreign policy with regard to North Korea; ``(II) the anticipated effect of the action on the national security interests of the United States; and ``(III) the policy objectives for which the sanctions affected by the action were initially imposed. ``(ii) Requests from banking and financial services committees.--The Committee on Banking, Housing, and Urban Affairs of the Senate or the Committee on Financial Services of the House of Representatives may request the submission to the Committee of the matter described in subclauses (II) and (III) of clause (i) with respect to a report submitted under subparagraph (A) that relates to an action that is not intended to significantly alter United States foreign policy with regard to North Korea. ``(2) Period for review by congress.-- ``(A) In general.--During the period of 30 calendar days beginning on the date on which the President submits a report under paragraph (1)(A)-- ``(i) in the case of a report that relates to an action that is not intended to significantly alter United States foreign policy with regard to North Korea, the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives should, as appropriate, hold hearings and briefings and otherwise obtain information in order to fully review the report; and ``(ii) in the case of a report that relates to an action that is intended to significantly alter United States foreign policy with regard to North Korea, the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives should, as appropriate, hold hearings and briefings and otherwise obtain information in order to fully review the report. ``(B) Exception.--The period for congressional review under subparagraph (A) of a report required to be submitted under paragraph (1)(A) shall be 60 calendar days if the report is submitted on or after July 10 and on or before September 7 in any calendar year. ``(C) Limitation on actions during initial congressional review period.--Notwithstanding any other provision of law, during the period for congressional review provided for under subparagraph (A) of a report submitted under paragraph (1)(A) proposing an action described in paragraph (1)(B), including any additional period for such review as applicable under the exception provided in subparagraph (B), the President may not take that action unless a joint resolution of approval with respect to that action is enacted in accordance with paragraph (3). ``(D) Limitation on actions during presidential consideration of a joint resolution of disapproval.-- Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under paragraph (1)(A) proposing an action described in paragraph (1)(B) passes both Houses of Congress in accordance with paragraph (3), the President may not take that action for a period of 12 calendar days after the date of passage of the joint resolution of disapproval. ``(E) Limitation on actions during congressional reconsideration of a joint resolution of disapproval.-- Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under paragraph (1)(A) proposing an action described in paragraph (1)(B) passes both Houses of Congress in accordance with paragraph (3), and the President vetoes the joint resolution, the President may not take that action for a period of 10 calendar days after the date of the President's veto. ``(F) Effect of enactment of a joint resolution of disapproval.--Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under paragraph (1)(A) proposing an action described in paragraph (1)(B) is enacted in accordance with paragraph (3), the President may not take that action. ``(3) Joint resolutions of disapproval or approval.-- ``(A) Joint resolutions of disapproval or approval defined.--In this paragraph: ``(i) Joint resolution of approval.--The term `joint resolution of approval' means only a joint resolution of either House of Congress-- ``(I) the title of which is as follows: `A joint resolution approving the President's proposal to take an action relating to the application of certain sanctions with respect to North Korea.'; and ``(II) the sole matter after the resolving clause of which is the following: `Congress approves of the action relating to the application of sanctions imposed with respect to North Korea proposed by the President in the report submitted to Congress under section 201A(f)(1)(A) of the North Korea Sanctions and Policy Enhancement Act of 2016 on \_\_\_\_\_\_\_ relating to \_\_\_\_\_\_\_\_.', with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed action. ``(ii) Joint resolution of disapproval.--The term `joint resolution of disapproval' means only a joint resolution of either House of Congress-- ``(I) the title of which is as follows: `A joint resolution disapproving the President's proposal to take an action relating to the application of certain sanctions with respect to North Korea.'; and ``(II) the sole matter after the resolving clause of which is the following: `Congress disapproves of the action relating to the application of sanctions imposed with respect to North Korea proposed by the President in the report submitted to Congress under section 201A(f)(1)(A) of the North Korea Sanctions and Policy Enhancement Act of 2016 on \_\_\_\_\_\_\_ relating to \_\_\_\_\_\_\_\_.', with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed action. ``(B) Introduction.--During the period of 30 calendar days provided for under paragraph (2)(A), including any additional period as applicable under the exception provided in paragraph (2)(B), a joint resolution of approval or joint resolution of disapproval may be introduced-- ``(i) in the House of Representatives, by the majority leader or the minority leader; and ``(ii) in the Senate, by the majority leader (or the majority leader's designee) or the minority leader (or the minority leader's designee). ``(C) Floor consideration in house of representatives.-- ``(i) Reporting and discharge.--If a committee of the House of Representatives to which a joint resolution of approval or joint resolution of disapproval has been referred has not reported the joint resolution within 10 calendar days after the date of referral, that committee shall be discharged from further consideration of the joint resolution. ``(ii) Proceeding to consideration.--Beginning on the third legislative day after each committee to which a joint resolution of approval or joint resolution of disapproval has been referred reports the joint resolution to the House or has been discharged from further consideration of the joint resolution, it shall be in order to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order. ``(iii) Consideration.--The joint resolution of approval or joint resolution of disapproval shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except 2 hours of debate equally divided and controlled by the sponsor of the joint resolution (or a designee) and an opponent. A motion to reconsider the vote on passage of the joint resolution shall not be in order. ``(D) Consideration in the senate.-- ``(i) Committee referral.--A joint resolution of approval or joint resolution of disapproval introduced in the Senate shall be-- ``(I) referred to the Committee on Banking, Housing, and Urban Affairs if the joint resolution relates to a report submitted under paragraph (1)(A) with respect to an action that is not intended to significantly alter United States foreign policy with regard to North Korea; and ``(II) referred to the Committee on Foreign Relations if the joint resolution relates to a report submitted under paragraph (1)(A) with respect to an action that is intended to significantly alter United States foreign policy with respect to North Korea. ``(ii) Reporting and discharge.--If the committee to which a joint resolution of approval or joint resolution of disapproval was referred has not reported the joint resolution within 10 calendar days after the date of referral of the joint resolution, that committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be placed on the appropriate calendar. ``(iii) Proceeding to consideration.--Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time after the Committee on Banking, Housing, and Urban Affairs or the Committee on Foreign Relations, as the case may be, reports a joint resolution of approval or joint resolution of disapproval to the Senate or has been discharged from consideration of such a joint resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. ``(iv) Rulings of the chair on procedure.--Appeals from the decisions of the Chair relating to the application of the rules [[Page S5756]] of the Senate, as the case may be, to the procedure relating to a joint resolution of approval or joint resolution of disapproval shall be decided without debate. ``(v) Consideration of veto messages.--Debate in the Senate of any veto message with respect to a joint resolution of approval or joint resolution of disapproval, including all debatable motions and appeals in connection with the joint resolution, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees. ``(E) Rules relating to senate and house of representatives.-- ``(i) Coordination with action by other house.--If, before the passage by one House of a joint resolution of approval or joint resolution of disapproval of that House, that House receives an identical joint resolution from the other House, the following procedures shall apply: ``(I) The joint resolution of the other House shall not be referred to a committee. ``(II) With respect to the joint resolution of the House receiving the joint resolution from the other House-- ``(aa) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but ``(bb) the vote on passage shall be on the joint resolution of the other House. ``(ii) Treatment of a joint resolution of other house.--If one House fails to introduce a joint resolution of approval or joint resolution of disapproval, a joint resolution of approval or joint resolution of disapproval of the other House shall be entitled to expedited procedures in that House under this subsection. ``(iii) Treatment of house joint resolution in senate.--If, following passage of a joint resolution of approval or joint resolution of disapproval in the Senate, the Senate receives an identical joint resolution from the House of Representatives, that joint resolution shall be placed on the appropriate Senate calendar. ``(iv) Application to revenue measures.--The provisions of this subparagraph shall not apply in the House of Representatives to a joint resolution of approval or joint resolution of disapproval that is a revenue measure. ``(F) Rules of house of representatives and senate.--This paragraph is enacted by Congress-- ``(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution of approval or joint resolution of disapproval, and supersedes other rules only to the extent that it is inconsistent with such rules; and ``(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House. ``(g) Briefing Required.--Not later than 180 days after the date of the enactment of the Banking Restrictions Involving North Korea (BRINK) Act of 2017, and every 180 days thereafter, the President shall brief the appropriate congressional committees on the status of efforts by the President to prevent conduct described in subparagraphs (A) through (E) of subsection (a)(1). ``(h) Rule of Construction.--Nothing in this section shall be construed to prohibit any person from, or authorize or require the imposition of sanctions with respect to any person for, conducting or facilitating any transaction for the sale or donation of ***agricultural*** commodities, food, medicine, or medical devices. ``(i) Definitions.--In this section: ``(1) Appropriate congressional committees and leadership.--The term `appropriate congressional committees and leadership' means-- ``(A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the majority and minority leaders of the Senate; and ``(B) the Committee on Financial Services, the Committee on Foreign Affairs, and the Speaker, the majority leader, and the minority leader of the House of Representatives. ``(2) Correspondent account; payable-through account.--The terms `correspondent account' and `payable-through account' have the meanings given those terms in section 5318A of title 31, United States Code. ``(3) Knowingly.--The term `knowingly', with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result. ``(4) North korean covered property; north korean financial institution; united states financial institution.--The terms `North Korean covered property', `North Korean financial institution', and `United States financial institution' have the meanings given those terms in section \_\_03 of the Banking Restrictions Involving North Korea (BRINK) Act of 2017.''. (b) Clerical Amendment.--The table of contents for the North Korea Sanctions and Policy Enhancement Act of 2016 is amended by striking the item relating to section 201A and inserting the following: ``201A. Sanctions with respect to financial institutions providing support to the Government of North Korea.''. SEC. \_\_12. EXPANSION OF LICENSING REQUIREMENTS FOR TRANSACTIONS IN NORTH KOREAN COVERED PROPERTY. (a) License Required.-- (1) In general.--Except as provided in paragraph (2), not later than 180 days after the date of the enactment of this Act, the President shall prescribe regulations prohibiting any transaction involving the manufacture, sale, purchase, transfer, import, or export of North Korean covered property by a United States person or conducted in the United States. (2) Exception.-- (A) In general.--Except as provided in subparagraph (B), the Secretary may grant licenses and permits for the following purposes: (i) For any purpose covered by an exemption or waiver under section 208 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9228), including humanitarian, diplomatic, consular, law enforcement, and other purposes. (ii) To import food products into North Korea if such food products are not defined as luxury goods. (iii) To meet an urgent and compelling humanitarian need. (iv) For activities to promote human rights in North Korea, the development of private ***agriculture*** and markets in North Korea, and the free flow of information to, from, and within North Korea. (v) To import ***agricultural*** products, medicine, or medical devices into North Korea if such products, medicine, or devices are classified as designated ``EAR 99'' under subchapter C of chapter VII of title 15, Code of Federal Regulations, or any successor regulations (commonly known as the ``Export Administration Regulations''), and not controlled under-- (I) the Export Administration Act of 1979 (50 U.S.C App. 2401 et seq.), as continued in effect under the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.); (II) the Arms Export Control Act (22 U.S.C 2751 et seq.); (III) part B of title VIII of the Nuclear Proliferation Prevention Act of 1994 (22 U.S.C 6301 et seq.); or (IV) the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (22 U.S.C 5601 et seq.). (B) Exception.--The Secretary may not grant a license or permit under subparagraph (A) for an activity described in section 104(a) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214(a)). (b) Penalties.-- (1) In general.--A person shall be fined not more than $5,000,000, imprisoned for not more than 20 years, or both, if the person knowingly-- (A) engages in a transaction described in subsection (a)(1), except pursuant to a license or permit granted under this section or regulations prescribed pursuant to this section; or (B) evades a requirement to obtain a license or permit under this section or a regulations prescribed pursuant to this section. (2) Forfeiture of property.--Any property, real or personal, that is involved in a transaction that is a violation of subsection (a)(1), is involved in an attempt to conduct such a transaction, or constitutes or is derived from proceeds traceable to such a transaction, is subject to forfeiture to the United States. (c) Report Required.-- (1) In general.--Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the President shall submit to the appropriate congressional committees a report listing any licenses or permits granted under subsection (a). (2) Form.--Each report required under paragraph (1) shall be submitted in unclassified form but may include a classified annex. (3) Public availability.--Not later than 30 days after the submission of a report under paragraph (1), the Secretary of the Treasury and the Secretary of State shall each publish the unclassified part of the report on a publicly available Internet website of the Department of the Treasury and the Department of State, as the case may be. (d) Termination of Requirements.--The President may terminate the prohibition on transactions described in subsection (a) and the imposition of penalties under subsection (b) if the President submits to the appropriate congressional committees the certification described in section 402 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9252). (e) Modification of Definition of Specified Unlawful Activity for Money Laundering Purposes.--Section 1956(c)(7)(D) of title 18, United States Code, is amended-- (1) by striking ``or section 104(a) of the North Korea Sanctions Enforcement Act of 2016'' and inserting ``section 104(a) of the North Korea Sanctions and Policy Enhancement Act of 2016''; and (2) by inserting before the semicolon at the end the following: ``, or section \_\_02(b) of the Banking Restrictions Involving North Korea (BRINK) Act of 2017 (relating to transactions in certain North Korean property)''. [[Page S5757]] SEC. \_\_13. AUTHORIZATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVISION OF SPECIALIZED FINANCIAL MESSAGING SERVICES TO NORTH KOREAN FINANCIAL INSTITUTIONS AND SANCTIONED PERSONS. (a) In General.--Section 318 of the Korean Interdiction and Modernization of Sanctions Act (Public Law 115-44) is amended to read as follows: ``SEC. 318. AUTHORIZATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVISION OF SPECIALIZED FINANCIAL MESSAGING SERVICES TO NORTH KOREAN FINANCIAL INSTITUTIONS AND SANCTIONED PERSONS. ``(a) Sense of Congress.--It is the sense of Congress that-- ``(1) providers of specialized financial messaging services have been used as a critical link between the Government of North Korea and the international financial system; ``(2) the Financial Action Task Force has repeatedly called for jurisdictions to apply countermeasures to protect the financial system from the risks of money laundering and proliferation financing emanating from North Korea; ``(3) credible published reports have implicated the Government of North Korea in stealing approximately $81,000,000 from the Bangladesh Bank and attempting to steal another $951,000,000 from other banks using a financial messaging service; and ``(4) directly providing specialized financial messaging services to, or enabling or facilitating direct or indirect access to such messaging services for, any financial institution designated by the United Nations Security Council is inconsistent with applicable United Nations Security Council resolutions. ``(b) Briefing on Measures to Deny Specialized Financial Messaging Services to Designated North Korean Financial Institutions.-- ``(1) In general.--Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter for 5 years, the President shall provide to the appropriate congressional committees a briefing that includes the following information: ``(A) A list of each person or foreign government the President has identified that knowingly and directly provides specialized financial messaging services to, or knowingly enables or facilitates direct or indirect access to such messaging services for-- ``(i) a North Korean financial institution; ``(ii) a person, including a financial institution, that is designated pursuant to-- ``(I) an applicable Executive order; ``(II) an applicable United Nations Security Council resolution; or ``(III) section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214); or ``(iii) a person subject to sanctions under the Banking Restrictions Involving North Korea (BRINK) Act of 2017. ``(B) A detailed assessment of the status of efforts by the Secretary of the Treasury to work with the relevant authorities in the home jurisdictions of such specialized financial messaging providers to end such provision or access. ``(2) Form.--The briefing required under paragraph (1) may be classified. ``(c) Authorization of Imposition of Sanctions.--The President may impose sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.) with respect to a person if, on or after the date that is 90 days after the date of the enactment of the Banking Restrictions Involving North Korea (BRINK) Act of 2017, the person knowingly and directly provides specialized financial messaging services to, or knowingly enables or facilitates direct or indirect access to such messaging services for-- ``(1) a North Korean financial institution; ``(2) a person, including a financial institution, that is designated pursuant to-- ``(A) an applicable Executive order; ``(B) an applicable United Nations Security Council resolution; or ``(C) section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214); or ``(3) a person subject to sanctions under the Banking Restrictions Involving North Korea (BRINK) Act of 2017. ``(d) Enabling or Facilitating Access to Specialized Financial Messaging Services.--For purposes of this section, enabling or facilitating direct or indirect access to specialized financial messaging services to a person described in paragraph (1) or (2) of subsection (c) includes doing so by serving as an intermediary financial institution with access to such messaging services. ``(e) Suspension and Termination of Sanctions.-- ``(1) Suspension.--The President may suspend the application of any sanctions under subsection (c) for a period of not more than one year if the President certifies to the appropriate congressional committees that the Government of North Korea is taking steps toward-- ``(A) the verification of its compliance with applicable United Nations Security Council Resolutions; and ``(B) fully accounting for and repatriating United States citizens and permanent residents (including deceased United States citizens and permanent residents)-- ``(i) abducted or unlawfully held captive by the Government of North Korea; or ``(ii) detained in violation of the Agreement Concerning a Military Armistice in Korea, signed at Panmunjom July 27, 1953 (commonly referred to as the `Korean War Armistice Agreement'). ``(2) Renewal of suspension.--The President may renew a suspension described in paragraph (1) for additional periods of not more than 180 days if the President certifies to the appropriate congressional committees that the Government of North Korea continues to take steps as described in paragraph (1). ``(3) Termination of sanctions.--The President may terminate the application of any sanctions under subsection (c) if the President certifies that the Government of North Korea has made significant progress towards-- ``(A) completely, verifiably, and irreversibly dismantling all of its nuclear, chemical, biological, and radiological weapons ***programs***, including all ***programs*** for the development of systems designed in whole or in part for the delivery of such weapons; and ``(B) fully accounting for and repatriating United States citizens and permanent residents (including deceased United States citizens and permanent residents)-- ``(i) abducted or unlawfully held captive by the Government of North Korea; or ``(ii) detained in violation of the Agreement Concerning a Military Armistice in Korea, signed at Panmunjom July 27, 1953 (commonly referred to as the `Korean War Armistice Agreement'). ``(f) Definitions.--In this section: ``(1) Applicable executive order; applicable united nations security council resolution; government of north korea; north korea.--The terms `applicable Executive order', `applicable United Nations Security Council resolution', `Government of North Korea', and `North Korea' have the meanings given those terms in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202). ``(2) Appropriate congressional committees.--The term `appropriate congressional committees' means-- ``(A) the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate; and ``(B) the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives. ``(3) Knowingly.--The term `knowingly', with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result. ``(4) North korean financial institution.--The term `North Korean financial institution' has the meaning given that term in section \_\_03 of the Banking Restrictions Involving North Korea (BRINK) Act of 2017.''. (b) Clerical Amendment.--The table of contents for the Countering America's Adversaries Through Sanctions Act (Public Law 115-44) is amended by striking the item relating to section 318 and inserting the following: ``318. Authorization of imposition of sanctions with respect to the provision of specialized financial messaging services to North Korean financial institutions and sanctioned persons.''. SEC. \_\_14. AUTHORIZATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO GOVERNMENTS THAT FAIL TO COMPLY WITH UNITED NATIONS SECURITY COUNCIL SANCTIONS AGAINST NORTH KOREA. (a) In General.--Section 317 of the Korean Interdiction and Modernization of Sanctions Act (Public Law 115-44) is amended-- (1) by redesignating subsection (c) as subsection (e); and (2) by inserting after subsection (b) the following: ``(c) Imposition of Sanctions.-- ``(1) In general.--The President may impose one or more of the sanctions described in paragraph (2) with respect to a government that the President has determined has knowingly failed to carry out the activities set forth in paragraphs (1) through (4) of subsection (a) until such time as the President determines that the government has taken substantial steps to carry out such activities. ``(2) Sanctions described.--The sanctions described in this paragraph to be imposed with respect to the government of a country are the following: ``(A) Prohibit or curtail the export of any goods or technology to that country pursuant to the authorities provided in section 6 of the Export Administration Act of 1979 (50 U.S.C 4605) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.)). ``(B) Withhold assistance under the Foreign Assistance Act of 1961 (22 U.S.C 2151 et seq.) to that government. ``(C) Instruct the United States executive director at each international financial institution (as defined in section 1701(c) of the International Financial Institutions Act (22 U.S.C 262r(c))) to use the voice and vote of the United States to oppose the provision of loans, benefits, or other use of the funds of the institution to that government. ``(d) Rule of Construction.--This section shall not be construed to limit the use of other sanctions authorities available to the President in response to governments of countries failing to carry out the activities set forth in paragraphs (1) through (4) of subsection (a).''. (b) Clerical Amendment.--The table of contents for the Countering America's Adversaries Through Sanctions Act (Public [[Page S5758]] Law 115-44) is amended by striking the item relating to section 317 and inserting the following: ``317. Authorization of imposition of sanctions with respect to governments that fail to comply with United Nations Security Council sanctions against North Korea.''. SEC. \_\_15. GRANTS TO CONDUCT RESEARCH ON FINANCIAL NETWORKS AND FINANCIAL METHODS OF THE GOVERNMENT OF NORTH KOREA. (a) Grants Authorized.-- (1) In general.--The President, acting through the Attorney General, the Secretary of State, the Secretary of the Treasury, or the Director of National Intelligence, may award grants to, and enter into cooperative agreements with, States, units of local government, nongovernmental organizations, and relevant international organizations to further the purposes of this title and provide data to address the issues identified in section \_\_02. (2) Research initiatives.--Grants awarded and cooperative agreements entered into under paragraph (1) shall include grants and agreements for the purpose of conducting research initiatives on the following: (A) The methods used by the Government of North Korea to deal in, transact in, or conceal the ownership, control, or origin of North Korean covered property. (B) The relationship between proliferation by the Government of North Korea and the financial industry or financial institutions. (C) The export by any person to the United States of North Korean covered property. (D) The involvement of any person in human trafficking involving citizens or nationals of North Korea. (E) Information relating to transactions described in section \_\_12(a). (F) Information relating to activities by governments as described in section 317(a) of the Korean Interdiction and Modernization of Sanctions Act (Public Law 115-44). (G) Information relating to the identification, blocking, and release of property or proceeds described in section \_\_17(a). (H) The effectiveness of law enforcement and diplomatic initiatives of Federal, State, and foreign governments to comply with the provisions of applicable United Nations Security Council resolutions. (I) The effectiveness of compliance ***programs*** within the financial industry to ensure compliance with applicable United Nations Security Council resolutions. (b) Interagency Coordination.--The President shall ensure that any information collected pursuant to subsection (a) is shared among the agencies involved in investigations described in section 102(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9212(b)). (c) Authorization of Appropriations.--There is authorized to be appropriated for each of fiscal years 2018 through 2021 such sums as may be necessary to carry out this section. SEC. \_\_16. REPORT ON USE BY THE GOVERNMENT OF NORTH KOREA OF BENEFICIAL OWNERSHIP RULES TO ACCESS THE INTERNATIONAL FINANCIAL SYSTEM. (a) In General.--Not later than November 11, 2018, the Director of the Financial Crimes Enforcement Network of the Department of the Treasury shall submit to the appropriate congressional committees and publish in the Federal Register a report setting forth the findings of the Director regarding how the Government of North Korea is using laws regarding beneficial ownership of property to access the international financial system. (b) Elements.--The Director shall include in the report required under subsection (a) proposals for such legislative and administrative action as the Director considers appropriate. SEC. \_\_17. SENSE OF CONGRESS ON IDENTIFICATION AND BLOCKING OF PROPERTY OF NORTH KOREAN OFFICIALS. (a) In General.--It is the sense of Congress that the President should collaborate with the Stolen Asset Recovery Initiative of the World Bank Group and the United Nations Office on Drugs and Crime to prioritize the identification, blocking, and release for humanitarian purposes of-- (1) any property owned or controlled by a North Korean official; or (2) any significant proceeds of kleptocracy by the Government of North Korea or a North Korean official. (b) North Korean Official Defined.--In this section, the term ``North Korean official'' includes-- (1) the individuals described in section 304(a)(2)(B) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9243(a)(2)(B)); and (2) such additional officials as the President may determine to be officials of the Government of North Korea. SEC. \_\_18. SENSE OF CONGRESS REGARDING THE KAESONG INDUSTRIAL COMPLEX. (a) Findings.--Congress finds the following: (1) On October 14, 2006, the United Nations Security Council adopted Resolution 1718, paragraph 8(d) of which requires member states of the United Nations to ensure that persons under their jurisdiction prevent any funds, financial assets, and economic resources from being used by persons or entities engaged in or proving support for the nuclear, chemical, or biological weapons ***programs*** of North Korea or the ballistic missile ***programs*** of North Korea. (2) On April 11, 2011, the President signed Executive Order 13570 (50 U.S.C 1701 note; relating to prohibiting certain transactions with respect to North Korea), which prohibits the importation into the United States, directly or indirectly, of any goods, services, or technology from North Korea, except as provided in statute or in licenses, regulations, orders, or directives that may be issued pursuant to that Executive Order. (3) In April 2013, the Under Secretary of the Treasury for Terrorism and Financial Intelligence said, in reference to the Kaesong Industrial Complex, ``Precisely what North Koreans do with earnings from Kaesong, I think, is something that we are concerned about.''. (4) In February 2016, on announcing the suspension of operations at the Kaesong Industrial Complex, the Unification Ministry of the Republic of Korea stated that the Government of North Korea may have used the proceeds from the Kaesong Industrial Complex to finance its nuclear weapons ***program***. (5) On November 30, 2016, the United States Security Council approved Resolution 2321, paragraph 32 of which requires member states of the United Nations to prohibit public and private financial support for trade with North Korea from within their territories or by persons subject to their jurisdiction, including the granting of export credits, guarantees, or insurance to persons involved in such trade, except as approved in advance by a committee appointed by the Security Council on a case-by-case basis. (b) Sense of Congress.--It is the sense of Congress that-- (1) the United States stands in solidarity with its ally in the Republic of Korea, and has expressed that solidarity with the sacrifice of 36,914 people of the United States and with the continued presence of 29,500 members of the Armed Forces of the United States in the Republic of Korea; (2) the nuclear weapons ***program*** of North Korea poses a grave and imminent threat to the freedom and security of both the United States and the Republic of Korea; (3) the Kaesong Industrial Complex yielded few, if any, apparent benefits with regard to the reform, liberalization, or disarmament of North Korea; (4) the unconditional provision of revenue from the Kaesong Industrial Complex to the Government of North Korea undermines the financial pressure necessary to strict and effective enforcement of United Nations Security Council sanctions; (5) the strict and effective enforcement of United Nations Security Council sanctions is the last plausible option to achieve the complete, verifiable, irreversible, and peaceful nuclear disarmament of North Korea; and (6) the Kaesong Industrial Complex should not be reopened until the Government of North Korea has completely, verifiably, and irreversibly dismantled all of its nuclear, chemical, biological, and radiological weapons ***programs***, including all ***programs*** for the development of systems designed in whole or in part for the delivery of such weapons. PART II--DIVESTMENT FROM NORTH KOREA SEC. \_\_21. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO DIVEST FROM COMPANIES THAT INVEST IN NORTH KOREA. (a) Sense of Congress.--It is the sense of Congress that the United States should support the decision of any State or local government, for moral, prudential, or reputational reasons, to divest from, or prohibit the investment of assets of the State or local government in, a person that engages in investment activities involving North Korean covered property if North Korea is subject to economic sanctions imposed by the United States or the United Nations Security Council. (b) Authority To Divest.--Notwithstanding any other provision of law, a State or local government may adopt and enforce measures that meet the requirements of subsection (c) to divest the assets of the State or local government from, or prohibit investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities involving North Korean covered property of a value of more than $10,000. (c) Requirements.--Any measure taken by a State or local government under subsection (b) shall meet the following requirements: (1) Notice.--The State or local government shall provide written notice to each person with respect to which a measure under this section is to be applied. (2) Timing.--The measure applied under this section shall apply to a person not earlier than the date that is 90 days after the date on which written notice under paragraph (1) is provided to the person. (3) Opportunity to demonstrate compliance.-- (A) In general.--The State or local government shall provide to each person with respect to which a measure is to be applied under this section an opportunity to demonstrate to the State or local government that the person does not engage in investment activities in North Korean covered property. (B) Nonapplication.--If a person with respect to which a measure is to be applied under this section demonstrates to the State or local government under subparagraph (A) [[Page S5759]] that the person does not engage in investment activities in North Korean covered property, the measure shall not apply to that person. (4) Sense of congress on avoiding erroneous targeting.--It is the sense of Congress that a State or local government should not adopt a measure under subsection (b) with respect to a person unless the State or local government has-- (A) made every effort to avoid erroneously targeting the person; and (B) verified that the person engages in investment activities in North Korean covered property. (d) Notice to Department of Justice.--Not later than 30 days after a State or local government applies a measure under this section, the State or local government shall notify the Attorney General of that measure. (e) Authorization for Prior Applied Measures.-- (1) In general.--Notwithstanding any other provision of this section or any other provision of law, a State or local government may enforce a measure (without regard to the requirements of subsection (c), except as provided in paragraph (2)) applied by the State or local government before the date of the enactment of this Act that provides for the divestment of assets of the State or local government from, or prohibits the investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in North Korean covered property that are identified in that measure. (2) Application of notice requirements.--A measure described in paragraph (1) shall be subject to the requirements of paragraphs (1), (2), and (3)(A) of subsection (c) on and after the date that is two years after the date of the enactment of this Act. (f) No Preemption.--A measure applied by a State or local government authorized under subsection (b) or (e) is not preempted by any Federal law. (g) Definitions.--In this section: (1) Asset.-- (A) In general.--Except as provided in subparagraph (B), the term ``asset'' means public monies, and includes any pension, retirement, annuity, endowment fund, or similar instrument, that is controlled by a State or local government. (B) Exception.--The term ``asset'' does not include employee benefit ***plans*** covered by title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C 1001 et seq.). (2) Investment.--The term ``investment'' includes-- (A) a commitment or contribution of funds or property; (B) a loan or other extension of credit; and (C) the entry into or renewal of a contract for goods or services. (h) Effective Date.-- (1) In general.--Except as provided in paragraph (2) and subsection (e), this section applies to measures applied by a State or local government before, on, or after the date of the enactment of this Act. (2) Notice requirements.--Except as provided in subsection (h), subsections (c) and (d) apply to measures applied by a State or local government on or after the date of the enactment of this Act. SEC. \_\_22. SAFE HARBOR FOR CHANGES OF INVESTMENT POLICIES BY ASSET MANAGERS. (a) In General.--Section 13(c)(1) of the Investment Company Act of 1940 (15 U.S.C 80a-13(c)(1)) is amended-- (1) in subparagraph (A) by striking ``or'' at the end; (2) in subparagraph (B) by striking the period and inserting ``; or''; and (3) by adding at the end the following: ``(C) engage in investment activities involving North Korean covered property, as defined in section \_\_03 of the Banking Restrictions Involving North Korea (BRINK) Act of 2017.''. (b) Securities and Exchange Commission Regulations.--Not later than 120 days after the date of the enactment of this Act, the Securities and Exchange Commission shall issue any revisions the Securities and Exchange Commission determines to be necessary to the regulations requiring disclosure by each registered investment company that divests itself of securities in accordance with section 13(c) of the Investment Company Act of 1940 (15 U.S.C 80a-13(c)), including in accordance with paragraph (1)(C) of that section, as added by subsection (a)(3). SEC. \_\_23. SENSE OF CONGRESS REGARDING CERTAIN ERISA ***PLAN*** INVESTMENTS. It is the sense of Congress that-- (1) a fiduciary of an employee benefit ***plan***, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C 1002(3)), may divest ***plan*** assets from, or avoid investing ***plan*** assets in, any person the fiduciary determines engages in investment activities involving North Korean covered property, if-- (A) the fiduciary makes that determination using credible information that is available to the public; and (B) the fiduciary prudently determines that the result of that divestment or avoidance of investment would not be expected to provide the employee benefit ***plan*** with-- (i) a lower rate of return than alternative investments with commensurate degrees of risk; or (ii) a higher degree of risk than alternative investments with commensurate rates of return; and (2) by divesting assets or avoiding the investment of assets as described in paragraph (1), the fiduciary is not breaching the responsibilities, obligations, or duties imposed upon the fiduciary by subparagraph (A) or (B) of section 404(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C 1104(a)(1)). SEC. \_\_24. RULE OF CONSTRUCTION. Nothing in this subtitle, an amendment made by this subtitle, or any other provision of law authorizing sanctions with respect to North Korea shall be construed to affect or displace-- (1) the authority of a State or local government to issue and enforce rules governing the safety, soundness, and solvency of a financial institution subject to its jurisdiction; or (2) the regulation and taxation by the several States of the business of insurance, pursuant to the Act of March 9, 1945 (59 Stat. 34, chapter 20; 15 U.S.C 1011 et seq.) (commonly known as the ``McCarran-Ferguson Act''). PART III--GENERAL AUTHORITIES SEC. \_\_31. RULEMAKING. The President may prescribe such rules and regulations as may be necessary to carry out this subtitle and amendments made by this subtitle. SEC. \_\_32. AUTHORITY TO CONSOLIDATE REPORTS. (a) In General.--Any and all reports required to be submitted to the appropriate congressional committees under this subtitle or an amendment made by this subtitle that are subject to a deadline for submission consisting of the same unit of time may be consolidated into a single report that is submitted pursuant to that deadline. (b) Contents.--Any reports consolidated under subsection (a) shall contain all information required under this subtitle or the amendment made by this subtitle and any other elements that may be required by existing law. SEC. \_\_33. RULE OF CONSTRUCTION. Nothing in this subtitle or an amendment made by this subtitle shall be construed to limit the authority or obligation of the President-- (1) to apply the sanctions described in-- (A) section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214) with regard to persons that meet the criteria for designation under such section; or (B) the Korean Interdiction and Modernization of Sanctions Act (title III of Public Law 115-44); or (2) to exercise any other law enforcement authorities available to the President. \_\_\_\_\_\_ SA 1063. Mr. TILLIS submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: In section 886, beginning in the new section 2320a of title 10, United States Code, as added by subsection (a)(1) of such section 886, strike subsection (c) of such section 2320a and all that follows through the end of subsection (d)(1) of such section 886 and insert the following: ``(c) Applicability to Existing Software.--The Secretary of Defense shall, where appropriate-- ``(1) seek to negotiate open source licenses to existing custom-developed computer software with contractors that developed it; and ``(2) release related source code and technical data in a public repository location approved by the Department of Defense. ``(d) Definitions.--In this section: ``(1) Custom-developed computer software.--The term `custom-developed computer software'-- ``(A) means human-readable source code, including segregable portions thereof, that is-- ``(i) first ***produced*** in the performance of a Department of Defense contract, grant, cooperative agreement, or other transaction; or ``(ii) developed by a contractor or subcontractor exclusively with Federal funds (other than an item or process developed under a contract or subcontract to which regulations under section 9(j)(2) of the Small Business Act (15 U.S.C 638(j)(2)) apply); and ``(B) does not include Commercial Off-The-Shelf software, or packaged software developed exclusively at private expense, whether delivered as a Cloud Service, in binary form, or by any other means of software delivery. ``(2) Technical data.--The term `technical data' has the meaning given the term in section 2302 of this title.''. (2) Clerical amendment.--The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2320 the following new item: ``2320a. Use of open source software.''. (b) Prize Competition.--The Secretary of Defense shall create a prize for a research and develop ***program*** or other activity for identifying, capturing, and storing existing Department of Defense custom-developed computer software and related technical data. The Secretary of Defense shall create [[Page S5760]] an additional prize for improving, repurposing, or reusing software to better support the Department of Defense mission. The prize ***programs*** shall be conducted in accordance with section 2374a of title 10, United States Code. (c) Reverse Engineering.--The Secretary of Defense shall task the Defense Advanced Research ***Program*** Agency with a project to identify methods to locate and reverse engineer Department of Defense custom-developed computer software and related technical data for which source code is unavailable. (d) Definitions.--In this section: (1) Custom-developed computer software.--The term ``custom- developed computer software''-- (A) means human-readable source code, including segregable portions thereof, that is-- (i) first ***produced*** in the performance of a Department of Defense contract, grant, cooperative agreement, or other transaction; or (ii) developed by a contractor or subcontractor exclusively with Federal funds (other than an item or process developed under a contract or subcontract to which regulations under section 9(j)(2) of the Small Business Act (15 U.S.C 638(j)(2)) apply); and (B) does not include Commercial Off-The-Shelf software, or packaged software developed exclusively at private expense, whether delivered as a Cloud Service, in binary form, or by any other means of software delivery. \_\_\_\_\_\_ SA 1064. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle B of title V, add the following: SEC. \_\_\_. TRAINING FOR NATIONAL GUARD PERSONNEL ON WILDFIRE RESPONSE. (a) In General.--The Secretary of the Army and the Secretary of the Air Force shall, in consultation with the Chief of the National Guard Bureau, provide for training of appropriate personnel of the National Guard on wildfire response, with preference given to States with the most acres of Federal forestlands administered by the U.S Forest Service or the Department of the Interior. (b) Authorization of Appropriations.--There is authorized to be appropriated for the Department of Defense a total of $10,000,000, in addition to amounts authorized to be appropriated by sections 421 and 301, in order to carry out the training required by subsection (a) and provide related equipment. \_\_\_\_\_\_ SA 1065. Ms. CANTWELL (for herself, Mr. Casey, and Mr. Bennet) submitted an amendment intended to be proposed by her to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: In the funding table in section 4301, in the item relating to Environmental Restoration, Air Force, increase the amount in the Senate Authorized column by $20,000,000. In the funding table in section 4301, in the item relating to Subtotal Environmental Restoration, Air Force, increase the amount in the Senate Authorized column by $20,000,000. In the funding table in section 4301, in the item relating to Total Miscellaneous Appropriations, increase the amount in the Senate Authorized column by $20,000,000. In the funding table in section 4301, in the item relating to Undistributed, Line number 999, reduce the amount in the Senate Authorized column by $20,000,000. In the funding table in section 4301, in the item relating to Fuel Savings, increase the amount of the reduction indicated in the Senate Authorized column by $20,000,000. In the funding table in section 4301, in the item relating to Subtotal Undistributed, reduce the amount in the Senate Authorized column by $20,000,000. In the funding table in section 4301, in the item relating to Total Undistributed, reduce the amount in the Senate Authorized column by $20,000,000. \_\_\_\_\_\_ SA 1066. Mr. CRUZ (for himself, Mr. Leahy, Mr. Tillis, and Mr. Merkley) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_. PERMANENT RESIDENT STATUS FOR LIU XIA. (a) In General.--Notwithstanding subsections (a) and (b) of section 201 of the Immigration and Nationality Act (8 U.S.C 1151), Liu Xia shall be eligible for issuance of an immigrant visa or for adjustment of status to that of an alien lawfully admitted for permanent residence upon filing an application for issuance of an immigrant visa under section 204 of such Act (8 U.S.C 1154) or for adjustment of status to lawful permanent resident. (b) Adjustment of Status.--If Liu Xia enters the United States before the filing deadline specified in subsection (c), Liu Xia shall be considered to have entered and remained lawfully in the United States and shall be eligible for adjustment of status under section 245 of the Immigration and Nationality Act (8 U.S.C 1255) as of the date of the enactment of this Act. (c) Application and Payment of Fees.--Subsections (a) and (b) shall apply only if the application for the issuance of an immigrant visa or the application for adjustment of status is filed with appropriate fees not later than the later of-- (1) 2 years after the date of the enactment of this Act; or (2) 2 years after the date on which Liu Xia is released from incarceration or travel restriction imposed by the People's Republic of China. (d) Reduction of Immigrant Visa Numbers.--Upon the granting of an immigrant visa or permanent residence to Liu Xia, the Secretary of State shall instruct the proper officer to reduce by 1, during the current or next following fiscal year-- (1) the total number of immigrant visas that are made available to natives of the country of birth of Liu Xia under section 203(a) of the Immigration and Nationality Act (8 U.S.C 1153(a)); or (2) if applicable, the total number of immigrant visas that are made available to natives of the country of birth of Liu Xia under section 202(e) of such Act (8 U.S.C 1152(e)). \_\_\_\_\_\_ SA 1067. Mr. CRUZ submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_. INCLUSION OF FEDERAL SUBSIDIES IN CALCULATION OF FULLY BURDENED COST OF DROP-IN FUELS. Section 2922h(c)(4) of title 10, United States Code, is amended by inserting ``, including any financial contributions from a Federal agency other than the Department of Defense, including the Commodity Credit Corporation under the Department of ***Agriculture***, for the purpose of reducing the total price of the fuel,'' after ``commodity price of the fuel''. \_\_\_\_\_\_ SA 1068. Mr. CRUZ submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_\_. LIMITATION ON OBSERVATION FLIGHTS OF THE RUSSIAN FEDERATION OVER THE UNITED STATES UNDER THE OPEN SKIES TREATY. (a) In General.--No amounts authorized to be appropriated by this Act may be used to aid, support, or permit in any manner observation flights of the Russian Federation over the United States under the Open Skies Treaty until the Secretary of Defense certifies to Congress each of the following: (1) That the Russian Federation has removed all restrictions regarding access to observation flights of the United States and other covered state parties over the entirety of Russia in a manner that permits full implementation of the observation rights provided to the United States and covered state parties under the Open Skies Treaty. (2) That the Russian Federation provides the same Air Traffic Control prioritization to observation aircraft from the United States and covered state parties that it receives from other participants under the Open Skies Treaty. (3) That no upgraded sensors will be employed in observation flights of the Russian Federation or Belarus over the United States under the Open Skies Treaty unless the Russian Federation has agreed to the employment of advanced sensors, consistent with the Open Skies Treaty, on United States observation aircraft, and the United States has [[Page S5761]] deployed such sensors, for observation flights over Russia under the Open Skies Treaty. (b) Definitions.--In this section: (1) Covered state party.--The term ``covered state party'' means a foreign country that-- (A) is a state party to the Open Skies Treaty; and (B) is a United States ally. (2) Observation aircraft, observation flight, and sensor.-- The terms ``observation aircraft'', ``observation flight'', and ``sensor'' have the meanings given such terms in Article II of the Open Skies Treaty. (3) Open skies treaty.--The term ``Open Skies Treaty'' means the Treaty on Open Skies, done at Helsinki March 24, 1992, and entered into force January 1, 2002. \_\_\_\_\_\_ SA 1069. Mr. CRUZ submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_\_. REPORT ON ILLICIT ACTIVITIES OF CERTAIN IRANIAN PERSONS. (a) In General.--Not later than 90 days after the date of the enactment of this Act, and every 60 days thereafter, the Secretary of Defense, in consultation with the Director of National Intelligence, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of State, shall submit to the appropriate committees of Congress a report that includes the following: (1) A list of each person listed, or required to be listed, in Attachment 3 to Annex II of the Joint Comprehensive ***Plan*** of Action that has, on or after the date of the implementation of the Joint Comprehensive ***Plan*** of Action and before the date of the report, knowingly facilitated, participated or assisted in, engaged in, directed, or provided material support for activities described in subsection (b). (2) A description of the activity described in subsection (b) engaged in by each person on the list required by paragraph (1). (3) An assessment of the extent to which the activity described in subsection (b) engaged in by each person on the list required by paragraph (1) involves the provision or delivery of financial, material, or technological support to-- (A) the Government of Iran; (B) Iran's Islamic Revolutionary Guard Corps; (C) any person with respect to which sanctions have been imposed under any provision of law imposing sanctions with respect to Iran; or (D) any person that directly, or indirectly through one or more intermediaries, is controlled by, or is under common control with, an entity described in subparagraph (A), (B), or (C). (b) Activities Described.--An activity described in this subsection is any of the following: (1) An act of international terrorism. (2) The proliferation of nuclear or ballistic missile technology or spare parts. (3) Illicit arms sales. (4) Significant activities undermining cybersecurity. (5) Violations of export controls. (6) Financial crimes. (7) Transnational organized crime, including drug and human trafficking. (c) Determination and Public Availability.--To the maximum extent practicable, the list required by subsection (a)(1) shall be made available to the public and posted on a publicly available Internet website of the Department of Defense, the Department of State, the Department of the Treasury, or the Department of Commerce. (d) Definitions.--In this section: (1) Act of international terrorism.--The term ``act of international terrorism'' includes-- (A) an act of torture, extrajudicial killing, aircraft sabotage, or hostage taking, as those terms are defined in section 1605A(h) of title 28, United States Code; and (B) providing material support or resources, as defined in section 2339A of title 18, United States Code, for an act described in subparagraph (A). (2) Appropriate committees of congress.--The term ``appropriate committees of Congress'' means-- (A) the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate; and (B) the Committee on Armed Services, the Committee on Financial Services, the Committee on Foreign Affairs, and the Select Committee on Intelligence of the House of Representatives. (3) Knowingly.--The term ``knowingly'' has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C 1701 note). (4) Joint comprehensive ***plan*** of action.--The term ``Joint Comprehensive ***Plan*** of Action'' means the Joint Comprehensive ***Plan*** of Action, agreed to at Vienna on July 14, 2015, by Iran and by the People's Republic of China, France, Germany, the Russian Federation, the United Kingdom, and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy, and all implementing materials and agreements related to the Joint Comprehensive ***Plan*** of Action. (5) Person.--The term ``person'' means an individual or entity. (6) Significant activities undermining cybersecurity.--The term ``significant activities undermining cybersecurity'' includes-- (A) significant efforts to-- (i) deny access to or degrade, disrupt, or destroy an information and communications technology system or network; or (ii) exfiltrate information from such a system or network without authorization; (B) significant destructive malware attacks; (C) significant denial or service activities; and (D) such other significant activities undermining cybersecurity as may be specified in regulations prescribed to implement this section. \_\_\_\_\_\_ SA 1070. Mr. INHOFE submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle D of title I, add the following: SEC. \_\_. COMBAT CAPABILITY AND MODERNIZATION OF B-2 FLEET. The Secretary of the Air Force shall ensure that the B-2 fleet remains fully combat capable, that necessary modernization of the fleet continues, and that the aircraft remains in the primary mission aircraft inventory of the Air Force. \_\_\_\_\_\_ SA 1071. Mr. STRANGE submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle E of title XVI, add the following: SEC. 1656. REVIEW OF PROPOSED GROUND-BASED MIDCOURSE DEFENSE SYSTEM CONTRACT. (a) Limitation on Changes to Contracting Strategy.--The Director of the Missile Defense Agency may not change the contracting strategy for the systems integration, operations, and test of the ground-based midcourse defense system until the date on which-- (1) the report under subsection (b)(4) is submitted to the congressional defense committees; and (2) a period of 30 days has elapsed following the date of such submittal. (b) Review.-- (1) In general.--The Director of Cost Assessment and ***Program*** Evaluation shall conduct a review of the contract for the systems integration, operations, and test of the ground- based midcourse defense system. (2) Elements.--The review required by paragraph (1) shall include the following: (A) Contract performance of current industry-led prime contract approach, including with respect to-- (i) system readiness performance and reliability growth; (ii) development, integration, and fielding of new homeland defense capabilities; and (iii) cost performance against baseline contract. (B) With respect to alternate contracting approaches-- (i) an enumeration and detailing of any specific benefits for each such alternate approach; (ii) an identification of specific costs to switching to each such alternate approach; and (iii) detailing of the specific risks of each such alternate approach to homeland defense, including regarding schedule, costs, and the sustainment, maintenance, development, and fielding, of integrated capabilities. (C) With respect to contracting approaches that transition to Federal Government-led systems engineering integration and test-- (i) an enumeration of the processes, procedures, and command media that have been established by the Missile Defense Agency and proven to be effective for the execution of ***programs*** that are of the scale of the ground-based midcourse defense system; and (ii) the manner in which a new contract will control for growth in the personnel and support contracts of the Federal Government to support cost growth and minimize the risk of schedule delay. [[Page S5762]] (D) A baseline for historical and current staffing of the ground-based midcourse defense system ***program***, specifically with respect to personnel of the Federal Government, personnel of federally funded research and development centers, personnel of departments and agencies of the Federal Government, and support contractors. (E) Projections of the staffing categories specified in subparagraph (D) under a new contracting strategy and how such staffing categories will be limited to prevent significant cost growth and to minimize the risk of schedule delays. (F) The views and recommendations of the Director for any changes the current ground-based midcourse defense system contract or a new contract, including the proposed contracting strategy of the Missile Defense Agency. (G) Such other matters as the Director determines appropriate. (3) Transmission.--The Director of Cost Assessment and ***Program*** Evaluation shall transmit to the Under Secretary of Defense for Research and Engineering and the Missile Defense Executive Board the findings of the Director with respect to the review conducted under paragraph (1). (4) Report.--Not later than 30 days after the date on which the Under Secretary and the Missile Defense Executive Board receive the findings of the Director under paragraph (3), the Under Secretary and Board shall jointly submit to the congressional defense committees a report containing-- (A) the findings of the Director transmitted under paragraph (3), without change; and (B) such views and recommendations of the Under Secretary and the Board may have with respect to such findings or the review conducted under paragraph (1). \_\_\_\_\_\_ SA 1072. Mr. BURR submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle B of title XVI, add the following: SEC. 1612. REPEAL OF REQUIREMENT FOR NOTIFICATION ON THE PROVISION OF DEFENSE SENSITIVE SUPPORT. Section 1055 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328; 10 U.S.C 113 note) is hereby repealed. \_\_\_\_\_\_ SA 1073. Mr. SULLIVAN submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: Strike section 1653 and insert the following: SEC. 1653. GROUND-BASED INTERCEPTOR CAPABILITY, CAPACITY, AND RELIABILITY. (a) Sense of the Senate.--It is the sense of the Senate that it is the policy of the United States to maintain and improve, with the allies of the United States, an effective, robust layered missile defense system capable of defending the citizens of the United States residing in territories and States of the United States, allies of the United States, and deployed Armed Forces of the United States. (b) Increase in Capacity and Continued Advancement.--The Secretary of Defense shall-- (1) subject to the annual authorization of appropriations and the annual appropriation of funds for National Missile Defense, increase the number of United States ground-based interceptors, unless otherwise directed by the Ballistic Missile Defense Review, by up to 28; (2) develop a ***plan*** to further increase such number to the currently available missile field capacity of 104 and to ***plan*** for any future capacity at any site that may be identified by the Ballistic Missile Defense Review; and (3) continue to rapidly advance missile defense technologies to improve the capability and reliability of the ground-based midcourse defense element of the ballistic missile defense system. (c) Deployment.--Not later than December 31, 2021, the Secretary of Defense shall-- (1) execute any requisite construction to ensure that Missile Field 1 or Missile Field 2 at Fort Greely or alternative missile fields at Fort Greely which may be identified pursuant to subsection (b), are capable of supporting and sustaining additional ground-based interceptors; (2) deploy up to 14 additional ground-based interceptors to Missile Field 1 or up to 20 additional ground-based interceptors to an alternative missile field at Fort Greely as soon as technically feasible; and (3) identify a ground-based interceptor stockpile storage site for the remaining ground-based interceptors required by subsection (b). (d) Report.-- (1) In general.--Unless otherwise directed or recommended by the Ballistic Missile Defense Review (BMDR), the Director of the Missile Defense Agency shall submit to the congressional defense committees, not later than 90 days after the completion of the Ballistic Missile Defense Review, a report on options to increase the capability, capacity, and reliability of the ground-based midcourse defense element of the ballistic missile defense system and the infrastructure requirements for increasing the number of ground-based interceptors in currently feasible locations across the United States. (2) Contents.--The report required by paragraph (1) shall include the following: (A) An identification of potential sites in the United States, whether existing or new on the East Coast or in the Midwest, for the deployment of 104 ground-based interceptors. (B) A cost-benefit analysis of each such site, including tactical, operational, and cost-to-construct considerations. (C) A description of any completed and outstanding environmental assessments or impact statements for each such site. (D) A description of the existing capacity of the missile fields at Fort Greely and the infrastructure requirements needed to increase the number of ground-based interceptors to 20 ground-based interceptors each. (E) A description of the additional infrastructure and components needed to further outfit missile fields at Fort Greely before emplacing additional ground-based interceptors configured with the redesigned kill vehicle, including with respect to ground excavation, silos, utilities, and support equipment. (F) A cost estimate of such infrastructure and components. (G) An estimated schedule for completing such construction as may be required for such infrastructure and components. (H) An identification of any environmental assessments or impact studies that would need to be conducted to expand such missile fields at Fort Greely beyond current capacity. (I) An operational evaluation and cost analysis of the deployment of transportable ground-based interceptors, including an identification of potential sites, including in the eastern United States and at Vandenberg Air Force Base, and an examination of any environmental, legal, or tactical challenges associated with such deployments, including to any sites identified in subparagraph (A). (J) A determination of the appropriate fleet mix of ground- based interceptor kill vehicles and boosters to maximize overall system effectiveness and increase its capacity and capability, including the costs and benefits of continued inclusion of capability enhancement II (CE-II) Block 1 interceptors after the fielding of the redesigned kill vehicle. (K) A description of the ***planned*** improvements to homeland ballistic missile defense sensor and discrimination capabilities and an assessment of the expected operational benefits of such improvements to homeland ballistic missile defense. (L) The benefit of supplementing ground-based midcourse defense elements with other, more distributed, elements, including both Aegis ships and Aegis Ashore installations with Standard Missile-3 Block IIA and other interceptors in Hawaii and at other locations for homeland missile defense. (3) Form.--The report submitted under paragraph (1) shall be submitted in unclassified form, but may include a classified annex. \_\_\_\_\_\_ SA 1074. Mr. FRANKEN submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: In section 812, beginning in the new section 2339a of title 10, United States Code, as added by subsection (a)(1) of such section 812, strike ``$250,000''and all that follows through the end of subsection (b) of such section 812 and insert the following: ``$250,000. This section shall not apply for purposes of determining the value of the simplified acquisition threshold referred to in subsection 2533a(h) or subsection 2533b(f) of this title.''. (2) Clerical amendment.--The table of sections at the beginning of such chapter is amended by adding at the end the following new item: ``2339a. Simplified acquisition threshold.''. (b) Technical and Conforming Amendments.--(1) Section 134 of title 41, United States Code, is amended by striking ``In division B'' and inserting ``Except as provided in section 2339a of title 10, in division B''. (2) Section 2533a(h) of title 10, United States Code, is amended by striking ``referred to in section 2304(g) of this title'' and [[Page S5763]] inserting ``specified in section 134 of title 41, United States Code''. (3) Section 2533b(f) of title 10, United States Code, is amended by striking ``referred to in section 2304(g) of this title'' and inserting ``specified in section 134 of title 41, United States Code''. \_\_\_\_\_\_ SA 1075. Mr. FRANKEN submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of title VIII, add the following: Subtitle K--Fair Pay and Safe Workplaces SEC. 899G. SHORT TITLE. This subtitle may be cited as the ``Fair Pay and Safe Workplaces Act of 2017''. SEC. 899H. DEFINITIONS. In this subtitle: (1) Covered contract.--The term ``covered contract'' means a Federal contract for the procurement of property or services, including construction, valued in excess of $500,000. (2) Covered subcontract.--The term ``covered subcontract''-- (A) means a subcontract for property or services under a Federal contract that is valued in excess of $500,000; and (B) does not include a subcontract for the procurement of commercially available off-the-shelf items. (3) Executive agency.--The term ``executive agency'' has the meaning given the term in section 133 of title 41, United States Code. SEC. 899I. FINDINGS. Congress makes the following findings: (1) Over the last two decades, the role of private contractors in public projects has significantly increased. Having doubled the amount of taxpayer dollars spent on contract labor since the year 2000, the Federal Government, according to recent estimates, now purchases more than $500,000,000,000 worth of goods and services from private firms, which employ 26,000,000 workers. (2) According to a majority staff report released in 2013 by the Committee on Health, Education, Labor, and Pensions of the Senate (the ``HELP Committee''), in recent years, dozens of major Federal contractors have repeatedly violated basic Federal labor laws with impunity. From 2007 through 2012, 49 individual Federal contractors triggered 1,776 enforcement actions for violating basic health and safety standards, discriminating against workers, or failing to pay workers what they earned. Despite these repeated infractions, those 49 companies received $81,000,000,000 in Federal contracts in fiscal year 2012 alone. (3) The HELP Committee staff report also showed that, from 2007 through 2012, companies holding large Federal contracts accounted for 48 percent of the penalties assessed by the Occupational Safety and Health Administration's list of top 100 violators, and incurred more than $87,000,000 in penalties. In fact, 8 of these companies were found to be directly responsible for the deaths of 42 United States workers. Nevertheless, in fiscal year 2012, United States taxpayers provided these companies with $3,400,000,000 in Federal contracts. (4) In addition to these health and safety violations, the HELP Committee report showed that Federal contractors have been repeatedly cited for violations of wage laws. Investigations of infractions by the Department of Labor often ***produce*** either a settlement or litigation, both of which can result in a back pay award for victimized workers. Between 2007 and 2012, Federal contractors accounted for 35 of the 100 largest back pay awards, and 32 Federal contractors were responsible for more than 40 percent of the total amount of unpaid back wages awarded during this period. Despite being compelled to pay more than $82,000,000 in back wages, these 32 violators received $73,100,000,000 of Federal contracts in fiscal year 2012. (5) The fact that repeat offenders continue to receive lucrative Federal contracts indicates the profound lack of accountability in the present system of Federal contracting. Such a gap necessitates reforms to the relationship between contracting officers and the Department of Labor as well expanding the number of supervision and enforcement tools available to both, which will ensure contractor compliance with Federal labor laws. (6) In 2014, President Barack Obama issued Executive Order 13673 on Fair Pay and Safe Workplaces. In the executive order, the President determined that ``contractors that consistently adhere to labor laws are more likely to have workplace practices that enhance productivity and increase the likelihood of timely, predictable, and satisfactory delivery of goods and services to the Federal Government. Helping executive departments and agencies to identify and work with contractors with track records of compliance will reduce execution delays and avoid distractions and complications that arise from contracting with contractors with track records of noncompliance.'' (7) In furtherance of economy and efficiency in contracting, the Fair Pay and Safe Workplaces Executive Order took a three-pronged approach to these problems: (A) Companies were required to disclose any violations of Federal labor law when applying for a contract. Those with poor track records of compliance were compelled to prove they had taken action to remedy these infractions. (B) Federal contractors were required to give their employees pay stubs each pay period documenting hours, overtime, and wages to prevent wage theft. (C) To protect workers from discrimination or harassment, the executive order prohibited the use of forced arbitration agreements in employment contracts by companies with large Federal contracts of $1,000,000 or more. (8) Parties who contract with the Federal Government should ensure that they understand and comply with labor laws, which are designed to promote safe, healthy, fair, and effective workplaces. (9) Contractors and subcontractors that consistently adhere to labor laws are more likely to have workplace practices that enhance productivity and increase the likelihood of timely, predictable, and satisfactory delivery of goods and services to the Federal Government. SEC. 899J. STATEMENT OF POLICY. It is the policy of the United States that the Federal Government shall promote economy and efficiency in procurement by awarding contracts to contractors that promote safe, healthy, fair, and effective workplaces through compliance with labor laws, and by promoting opportunities for contractors to do the same when awarding subcontracts. SEC. 899K. REQUIRED PRE-CONTRACT AWARD ACTIONS. (a) Disclosures.--The head of an executive agency shall ensure that the solicitation for a covered contract requires the offeror-- (1) to represent, to the best of the offeror's knowledge and belief, whether there has been any administrative merits determination, arbitral award or decision, or civil judgment, as defined in guidance issued by the Secretary of Labor, rendered against the offeror in the preceding 3 years for violations of-- (A) the Fair Labor Standards Act of 1938 (29 U.S.C 201 et seq.); (B) the Occupational Safety and Health Act of 1970 (29 U.S.C 651 et seq.); (C) the Migrant and Seasonal ***Agricultural*** Worker Protection Act (29 U.S.C 1801 et seq.); (D) the National Labor Relations Act (29 U.S.C 151 et seq.); (E) subchapter IV of chapter 31 of title 40, United States Code (commonly known as the ``Davis-Bacon Act''); (F) chapter 67 of title 41, United States Code (commonly known as the ``Service Contract Act''); (G) Executive Order 11246 (42 U.S.C 2000e note; relating to equal employment opportunity); (H) section 503 of the Rehabilitation Act of 1973 (29 U.S.C 793); (I) section 4212 of title 38, United States Code; (J) the Family and Medical Leave Act of 1993 (29 U.S.C 2601 et seq.); (K) title VII of the Civil Rights Act of 1964 (42 U.S.C 2000e et seq.); (L) the Americans with Disabilities Act of 1990 (42 U.S.C 12101 et seq.); (M) the Age Discrimination in Employment Act of 1967 (29 U.S.C 621 et seq.); (N) Executive Order 13658 (79 Fed. Reg. 9851; relating to establishing a minimum wage for contractors); or (O) equivalent State laws, as defined in guidance issued by the Secretary of Labor; (2) to require each subcontractor for a covered subcontract-- (A) to represent, to the best of the subcontractor's knowledge and belief, whether there has been any administrative merits determination, arbitral award or decision, or civil judgment, as defined in guidance issued by the Department of Labor, rendered against the subcontract in the preceding three years for violations of any of the labor laws and executive orders listed under paragraph (1); and (B) to update such information every 6 months for the duration of the subcontract; and (3) to consider the information submitted by a subcontractor pursuant to paragraph (2) in determining whether the subcontractor is a responsible source with a satisfactory record of integrity and business ethics-- (A) prior to awarding the subcontract; or (B) in the case of a subcontract that is awarded or will become effective within 5 days of the prime contract being awarded, not later than 30 days after awarding the subcontract. (b) Pre-award Corrective Measures.-- (1) In general.--A contracting officer, prior to awarding a covered contract, shall, as part of the responsibility determination, provide an offeror who makes a disclosure pursuant to subsection (a) an opportunity to report any steps taken to correct the violations of or improve compliance with the labor laws listed in paragraph (1) of such subsection, including any agreements entered into with an enforcement agency. (2) Consultation.--The executive agency's Labor Compliance Advisor designated pursuant to section 899M, in consultation with relevant enforcement agencies, shall advise the contracting officer whether agreements are in place or are otherwise needed to address appropriate remedial measures, compliance assistance, steps to resolve issues to avoid [[Page S5764]] further violations, or other related matters concerning the offeror. (3) Responsibility determination.--The contracting officer, in consultation with the executive agency's Labor Compliance Advisor, shall consider information provided by the offeror under this subsection in determining whether the offeror is a responsible source with a satisfactory record of integrity and business ethics. The determination shall be based on the guidelines established by the Department of Labor under subsection (b)(1) of section 899N and the Federal Acquisition Regulatory Council under subsection (a) of such section. (c) Referral of Information to Suspension and Debarment Officials.--As appropriate, contracting officers, in consultation with their executive agency's Labor Compliance Advisor, shall refer matters related to information provided pursuant to paragraphs (1) and (2) of subsection (a) to the executive agency's suspension and debarment official in accordance with agency procedures. SEC. 899L. POST-AWARD CONTRACT ACTIONS. (a) Information Updates.--The contracting officer for a covered contract shall require that the contractor update the information provided under paragraphs (1) and (2) of section 899K(a) every 6 months. (b) Corrective Actions.-- (1) Prime contract.--The contracting officer, in consultation with the Labor Compliance Advisor designated pursuant to section 899M, shall determine whether any information provided under subsection (a) warrants corrective action. Such action may include-- (A) an agreement requiring appropriate remedial measures; (B) compliance assistance; (C) resolving issues to avoid further violations; (D) the decision not to exercise an option on a contract or to terminate the contract; (E) referral to the agency suspending and debarring official; or (F) such other action as the contracting officer deems appropriate. (2) Subcontracts.--The prime contractor for a covered contract, in consultation with the Labor Compliance Advisor, shall determine whether any information provided under section 899K(a)(2) warrants corrective action, including remedial measures, compliance assistance, and resolving issues to avoid further violations. (3) Department of labor.--The Department of Labor shall, as appropriate, inform executive agencies of its investigations of contractors and subcontractors on current Federal contracts for purposes of determining the appropriateness of actions described under paragraphs (1) and (2). SEC. 899M. LABOR COMPLIANCE ADVISORS. (a) In General.--Each executive agency shall designate a senior official to act as the agency's Labor Compliance Advisor. (b) Duties.--The Labor Compliance Advisor shall-- (1) meet quarterly with the Deputy Secretary, Deputy Administrator, or equivalent executive agency official with regard to matters covered under this subtitle; (2) work with the acquisition workforce, agency officials, and agency contractors to promote greater awareness and understanding of labor law requirements, including record keeping, reporting, and notice requirements, as well as best practices for obtaining compliance with these requirements; (3) coordinate assistance for executive agency contractors seeking help in addressing and preventing labor violations; (4) in consultation with the Department of Labor or other relevant enforcement agencies, and pursuant to section 899K(b) as necessary, provide assistance to contracting officers regarding appropriate actions to be taken in response to violations identified prior to or after contracts are awarded, and address complaints in a timely manner, by-- (A) providing assistance to contracting officers and other executive agency officials in reviewing the information provided pursuant to subsections (a) and (b) of section 899K and section 899L(a), or other information indicating a violation of a labor law in order to assess the serious, repeated, willful, or pervasive nature of any violation and evaluate steps contractors have taken to correct violations or improve compliance with relevant requirements; (B) helping agency officials determine the appropriate response to address violations of the requirements of the labor laws listed in section 899K(a)(1) or other information indicating such a labor violation (particularly serious, repeated, willful, or pervasive violations), including agreements requiring appropriate remedial measures, decisions not to award a contract or exercise an option on a contract, contract termination, or referral to the executive agency suspension and debarment official; (C) providing assistance to appropriate executive agency officials in receiving and responding to, or making referrals of, complaints alleging violations by agency contractors and subcontractors of the requirements of the labor laws listed in section 899K(a)(1); and (D) supporting contracting officers, suspension and debarment officials, and other agency officials in the coordination of actions taken pursuant to this subsection to ensure agency-wide consistency, to the extent practicable; (5) as appropriate, send information to agency suspension and debarment officials in accordance with agency procedures; (6) consult with the agency's Chief Acquisition Officer and Senior Procurement Executive, and the Department of Labor as necessary, in the development of regulations, policies, and guidance addressing labor law compliance by contractors and subcontractors; (7) make recommendations to the agency to strengthen agency management of contractor compliance with labor laws; (8) publicly report, on an annual basis, a summary of agency actions taken to promote greater labor compliance, including the agency's response pursuant to this order to serious, repeated, willful, or pervasive violations of the requirements of the labor laws listed in section 899K(a)(1); and (9) participate in the interagency meetings regularly convened by the Secretary of Labor pursuant to section 899N(b)(2)(C). SEC. 899N. MEASURES TO ENSURE GOVERNMENT-WIDE CONSISTENCY. (a) Federal Acquisition Regulation.--The Federal Acquisition Regulatory Council, in consultation with the Director of the Office of Management and Budget and the Secretary of Labor, shall amend the Federal Acquisition Regulation-- (1) to identify, for the purpose of integrity and business ethics determinations made by contracting officers and contractors (with respect to subcontractors), considerations for determining the significance of serious, repeated, willful, or pervasive violations of the labor laws listed in section 899K(a)(1); (2) to provide that, subject to the determination of the executive agency, in most cases a single violation of law may not necessarily give rise to a determination of lack of responsibility, depending on the nature of the violation; (3) ensure appropriate consideration is given to any remedial measures or mitigating factors, including any agreements by contractors or other corrective action taken to address violations; and (4) ensure that contracting officers and Labor Compliance Advisors send information, as appropriate, to suspension and debarment officials. (b) Department of Labor.-- (1) Guidance.-- (A) In general.--The Secretary of Labor (in this subsection referred to as the ``Secretary'') shall develop guidance, in consultation with the executive agencies responsible for enforcing the requirements of the labor laws listed in section 899K(a)(1), to assist such agencies in determining whether administrative merits determinations, arbitral awards or decisions, or civil judgments were issued for serious, repeated, willful, or pervasive violations of such requirements for purposes of implementation of any final rule issued by the Federal Acquisition Regulatory Council pursuant to this subtitle. (B) Standards.--Such guidance shall-- (i) where available, incorporate existing statutory standards for assessing whether a violation is serious, repeated, willful, or pervasive; and (ii) where no such statutory standards exist, develop standards that take into account-- (I) for determining whether a violation is ``serious'' in nature, the number of employees affected, the degree of risk posed or actual harm caused by the violation to health, safety, or well-being of a worker, the amount of damages incurred or fines or penalties assessed with regard to the violation, and other considerations as the Secretary determines appropriate; (II) for determining whether a violation is ``repeated'' in nature, whether the entity has had one or more additional violations of the same or a substantially similar requirement during the previous 3 years; (III) for determining whether a violation is ``willful'' in nature, whether the entity knew of, showed reckless disregard for, or acted with plain indifference to the matter of whether its conduct was prohibited by the requirements of the labor laws listed in section 899K(a)(1); and (IV) for determining whether a violation is ``pervasive'' in nature, the number of violations of such a requirement, or the aggregate number of violations of such requirements, in relation to the size of the entity. (2) Additional activities and labor compliance agreements.--The Secretary shall-- (A) develop a process-- (i) for the Labor Compliance Advisors designated pursuant to section 899M to consult with the Secretary in carrying out their responsibilities under section 899M(b)(4); (ii) by which contracting officers and Labor Compliance Advisors may give appropriate consideration to determinations and agreements made by the Secretary and the heads of other executive agencies; and (iii) by which contractors may enter into agreements regarding steps a prospective contractor will take to ensure compliance with applicable labor laws (as described in section 899K of this Act) with the Secretary, or the head of another executive agency, prior to being considered for a contract; (B) review data collection requirements and processes, and work with the Director of the Office of Management and Budget, the Administrator for General Services, and other agency heads to improve such requirements and processes, as necessary, to reduce the burden on contractors and increase the amount of information available to executive agencies; (C) regularly convene interagency meetings of Labor Compliance Advisors to share and promote best practices for improving labor law compliance; and [[Page S5765]] (D) designate an appropriate contact for executive agencies seeking to consult with the Secretary with respect to the requirements and activities under this subtitle. (c) Office of Management and Budget.--The Director of the Office of Management and Budget shall-- (1) work with the Administrator of General Services to include in the Federal Awardee Performance and Integrity Information System the information provided by contractors pursuant to sections 899K(a)(1) and 899L(a) and data on the resolution of any issues related to such information; and (2) designate an appropriate contact for agencies seeking to consult with the Office of Management and Budget on matters arising under this subtitle. (d) General Services Administration.-- (1) In general.--The Administrator of General Services, in consultation with other relevant executive agencies, shall establish a single Internet website for Federal contractors to use for all Federal contract reporting requirements under this subtitle, as well as any other Federal contract reporting requirements to the extent practicable. (2) Agency cooperation.--The heads of executive agencies with covered contracts shall provide the Administrator of General Services with the data necessary to maintain the Internet website established under paragraph (1). (e) Minimizing Compliance Burden.--In amending the Federal Acquisition Regulation pursuant to subsection (a) and developing guidance pursuant to subsection (b), the Federal Acquisition Regulatory Council and the Secretary of Labor, respectively, shall minimize, to the extent practicable, the burden on contractors and subcontractors of complying with this subtitle, particularly small business concerns (as that term is defined in section 3 of the Small Business Act (15 U.S.C 632)) and small non-profit organizations. SEC. 899O. PAYCHECK TRANSPARENCY. (a) In General.--Each executive agency entering into a covered contract, or covered subcontract, shall ensure that provisions in solicitations for such contracts, or subcontracts, and clauses in such contracts, or subcontracts, shall provide that, for each pay period, contractors or subcontractors provide each individual described in subsection (b) with a document containing information with respect to such individual for the pay period concerning hours worked, overtime hours worked, pay, and any additions made to or deductions made from pay. (b) Individuals Described.--An individual described in this subsection is any individual performing work under a contract or subcontract for which the executive agency is required to maintain wage records under-- (1) the Fair Labor Standards Act of 1938 (29 U.S.C 201 et seq.); (2) subchapter IV of chapter 31 of title 40, United States Code (commonly referred to as the ``Davis-Bacon Act''); (3) chapter 67 of title 41, United States Code (commonly known as the ``Service Contract Act''); or (4) an applicable State law. (c) Exceptions.-- (1) Employees exempt from overtime requirements.--The document provided under subsection (a) to individuals who are exempt under section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C 213) from the overtime compensation requirements under section 7 of such Act (29 U.S.C 207) shall not be required to include a record of the hours worked if the contractor or subcontractor informs the individual of the status of such individual as exempt from such requirements. (2) Substantially similar state laws.--The requirements under this section shall be deemed to be satisfied if the contractor or subcontractor complies with State or local requirements that the Secretary of Labor has determined are substantially similar to the requirements under this section. (d) Independent Contractors.--If the contractor or subcontractor is treating an individual performing work under a covered contract or subcontract as an independent contractor, and not as an employee, the contractor or subcontractor shall provide the individual a document informing the individual of their status as an independent contractor. SEC. 899P. COMPLAINT AND DISPUTE TRANSPARENCY. (a) In General.-- (1) Contracts.--The head of an executive agency may not enter into a contract for the procurement of property or services valued in excess of $1,000,000 unless the contractor agrees that any decision to arbitrate the claim of an employee or independent contractor performing work under the contract that arises under title VII of the Civil Rights Act of 1964 (42 U.S.C 2000e et seq.) or any tort related to or arising out of sexual assault or sexual harassment may only be made with the voluntary consent of the employee or independent contractor after the dispute arises. (2) Subcontracts.--The Secretary shall require that a contractor covered under paragraph (1) incorporate the requirement under such subsection into each subcontract for the procurement of property or services valued in excess of $1,000,000 at any tier under the contract. (b) Exceptions.-- (1) Contracts for commercial items and commercially available off-the-shelf items.--The requirements under subsection (a) do not apply to contracts or subcontracts for the acquisition of commercial items or commercially available off-the-shelf items (as those terms are defined in sections 103(1) and 104, respectively, of title 41, United States Code). (2) Employees and independent contractors not covered.--The requirements under subsection (a) do not apply with respect to an employee or independent contractor who-- (A) is covered by a collective bargaining agreement negotiated between the contractor or subcontractor and a labor organization representing the employee or independent contractor; or (B) entered into a valid agreement to arbitrate claims covered under such subsection before the contractor or subcontractor bid on the contract covered under such subsection, except that such requirements do apply-- (i) if the contractor or subcontractor is permitted to change the terms of the arbitration agreement with the employee or independent contractor; or (ii) in the event the arbitration agreement is renegotiated or replaced after the contractor or subcontractor bids on the contract. SEC. 899Q. IMPLEMENTING REGULATIONS. Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council shall, in addition to carrying out section 899N(a), amend the Federal Acquisition Regulation to carry out the other provisions of this subtitle, including sections 899O and 899P. SEC. 899R. ANNUAL REPORT. (a) In General.--Not later than 18 months after the date of the enactment of this Act, and annually thereafter, the Secretary of Labor shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives a report on actions taken pursuant to this subtitle. (b) Information Included.--The report required under this section shall include the following information: (1) The number of instances that each executive agency, in accordance with sections 899K and 899L, required remedial measures, decided not to award a contract or exercise an option on a contract, terminated a contract, or referred an entity to an agency suspension and disbarment official. (2) The number of unique contractors that were subject to actions described in paragraph (1). SEC. 899S. SEVERABILITY. If any provision of this subtitle or the application of any such provision to any person or circumstance is held to be unconstitutional, the remaining provisions of this subtitle and the application of such provisions to any person or circumstance shall not be affected by such holding. SEC. 899T. RULES OF CONSTRUCTION. Nothing in this subtitle shall be construed as-- (1) impairing or otherwise affecting the authority granted by law to an executive agency or the head thereof; (2) impairing or otherwise affecting the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals; or (3) creating any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person. \_\_\_\_\_\_ SA 1076. Mr. INHOFE (for himself and Mr. King) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle E of title I, add the following: SEC. \_\_. LIMITATION ON AVAILABILITY OF FUNDS FOR AERONAUTICAL MOBILE APPLICATION ARCHITECTURE. No funds authorized to be appropriated by this Act or otherwise made available for fiscal year 2018 or any other fiscal year may be used by the Department of Defense to conduct an acquisition for electronic flight bag aviation applications for Aeronautical Mobile Application Architecture if commercial off-the-shelf aviation applications are currently available. \_\_\_\_\_\_ SA 1077. Mr. DAINES submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: [[Page S5766]] At the appropriate place in title XXVIII, insert the following: SEC. \_\_. TECHNICAL CORRECTION TO WITHDRAWAL AND RESERVATION OF PUBLIC LAND AUTHORITY, LIMESTONE HILLS TRAINING AREA, MONTANA. Section 2931(b) of the Military Construction Authorization Act for Fiscal Year 2014 (division B of Public Law 113-66; 127 Stat. 1031) is amended by striking ``18,644 acres in Broadwater County, Montana, generally depicted as `Proposed Land Withdrawal' on the map entitled `Limestone Hills Training Area Land Withdrawal', dated April 10, 2013'' and inserting ``18,964 acres in Broadwater County, Montana, generally depicted as `Limestone Hills Training Area Land Withdrawal' on the map entitled `Limestone Hills Training Area Land Withdrawal', dated May 11, 2017''. \_\_\_\_\_\_ SA 1078. Mr. PORTMAN (for himself, Mr. Bennet, and Mrs. Shaheen) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: In the funding table in section 4601, in the item relating to Washington Navy Yard AT/FP Land Acquisition, increase the amount in the Senate Authorized column by $60,000,000. In the funding table in section 4601, in the item relating to Subtotal Mil Con, Navy, increase the amount in the Senate Authorized column by $60,000,000. In the funding table in section 4601, in the item relating to Total Military Construction, increase the amount in the Senate Authorized column by $60,000,000. In the funding table in section 4601, in the item relating to Total Military Construction, Family Housing, and BRAC, increase the amount in the Senate Authorized column by $60,000,000. \_\_\_\_\_\_ SA 1079. Ms. BALDWIN submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of part II of subtitle C of title VI, add the following: SEC. \_\_. CREDIT TOWARD COMPUTATION OF YEARS OF SERVICE FOR NONREGULAR SERVICE RETIRED PAY UPON COMPLETION OF REMOTELY DELIVERED MILITARY EDUCATION OR TRAINING. (a) In General.--Section 12732(a)(2) of title 10, United States Code, is amended-- (1) by inserting after subparagraph (E) the following new subparagraph: ``(F) Such points (but not more than 10 points) as the Secretary concerned determines to be appropriate for successful completion of a course of instruction using electronically delivered methodologies to accomplish military education or training, unless the education or training is performed while in a status for which credit is provided under another subparagraph of this paragraph.''; and (2) by striking ``and (E)'' in the last sentence and inserting ``(E), and (F)''. (b) Maximum Number of Points Per Service Year.--Section 12733(3) of such title is amended by striking ``or (D)'' and inserting ``(D), or (F)''. \_\_\_\_\_\_ SA 1080. Mr. PERDUE (for himself, Mr. Wyden, and Mr. Sanders) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle A of title X, add the following: SEC. \_\_\_. FINANCIAL AUDIT FUND. (a) In General.--If the Department of Defense does not obtain a qualified audit opinion on its full financial statements for fiscal year 2020 by March 31, 2021, the Secretary of Defense shall establish a fund to be known as the ``Financial Audit Fund'' (in this section referred to as the ``Fund'') for the purpose of activities for the resolution of Notices of Findings and Recommendations received. (b) Elements.--Amounts in the Fund shall include the following: (1) Amounts appropriated to the Fund. (2) Amounts transferred to the Fund under subsection (d). (3) Any other amounts authorized for transfer or deposit into the Fund by law. (c) Availability.-- (1) In general.--Amounts in the Fund shall be available for activities for the resolution of Notices of Findings and Recommendations received. (2) Transfers from fund.--Amounts in the Fund may be transferred to any other account of the Department in order to fund activities described in paragraph (1). Any amounts transferred from the Fund to an account shall be merged with amounts in the account to which transferred and shall be available subject to the same terms and conditions as amounts in such account. The authority to transfer amounts under this paragraph is in addition to any other authority of the Secretary to transfer amounts by law. (3) Limitations.--Amounts in the Fund may be transferred under this subsection in a fiscal year only to agencies and organizations of the Department that have an obtained an unmodified audit opinion on their financial statements for at least one of the two preceding fiscal years. Amounts so transferred shall be available only to permit the agency or organization to which transferred to carry out activities described in paragraph (1). (d) Transfers to Fund in Connection With Certain Organizations.-- (1) Reduction in amount available.--Subject to paragraph (2), if during any fiscal year after fiscal year 2021 the Secretary determines that an agency or organization of the Department has not achieved a qualified opinion on its full financial statements, is being identified as not audit ready, is receiving a disclaimer of opinion on its financial statements, or is receiving an adverse opinion on its financial statements for the calendar year ending during such fiscal year-- (A) the amount available to such agency or organization for the fiscal year in which such determination is made shall be equal to-- (i) the amount otherwise authorized to be appropriated for such agency or organization for the fiscal year; minus (ii) the lesser of-- (I) an amount equal to 0.5 percent of the amount described in clause (i); or (II) $100,000,000; and (B) the Secretary shall deposit in the Fund pursuant to subsection (b)(2) all amounts unavailable to agencies and organizations of the Department in the fiscal year pursuant to determinations made under subparagraph (A). (2) Inapplicability to amounts for military personnel.--Any reduction applicable to an agency or organization of the Department under paragraph (1) for a fiscal year shall not apply to amounts, if any, available to such agency or organization for the fiscal year for military personnel. (3) Limitation on funds transferrable.--The authority to transfer amounts pursuant to this subsection applies only with respect to amounts that are appropriated after the date of the enactment of this Act. (e) Reports on Transfers.--Not later than 15 days before the transfer of any amount pursuant subsection (c)(2) or (d)(1)(B), the Secretary shall submit to the congressional defense committees a notice on the transfer, including the agency or organization whose funds will provide the source of the transfer, the amount of the transfer, and the specific ***plans*** for the use of the amount transferred for the resolution of Notices of Findings and Recommendations concerned, as applicable. (f) Definitions.--In this section: (1) The term ``audit ready'', with respect to an agency or organization of the Department of Defense, means that the agency or organization has in place the critical audit capabilities and associated infrastructure necessary to successfully commence and support a financial audit of its relevant financial statements. (2) The term ``adverse opinion'', with respect to financial statements, means an opinion by the auditor of the financial statements that the financial statements are misleading and cannot be relied upon. (3) The term ``disclaimer of opinion'', with respect to financial statements, means that the auditor of the financial statements was not able to complete the audit work, and cannot issue an opinion, on the financial statements. (4) The term ``qualified opinion'', with respect to financial statements, means an opinion by the auditor of the financial statements that the financial statements are reliable with certain exceptions. (g) Coordinating Repeal.--Section 1008 of the National Defense Authorization Act for Fiscal Year 2002 (10 U.S.C 113 note) is amended by striking subsection (d). \_\_\_\_\_\_ SA 1081. Mr. YOUNG (for himself, Mr. Murphy, and Mr. Heller) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: [[Page S5767]] At the end of subtitle G of title XII, add the following: SEC. \_\_\_. LIMITATION ON REFUELING OF AIRCRAFT OF SAUDI ARABIA FOR OPERATIONS IN YEMEN. (a) In General.--None of the funds authorized to be appropriated by this Act may be obligated or expended for the refueling of aircraft of Saudi Arabia for operations in Yemen until 14 days after the date on which the Secretary of State, in coordination with the Administrator of the United States Agency for International Development, submits to the appropriate committees of Congress and the Comptroller General of the United States a certification described in subsection (b), together with a detailed justification for the certification. (b) Certification Described.--A certification described in this subsection is a certification as follows: (1) That the Government of Saudi Arabia is complying fully with its obligations in Yemen under each of the following: (A) Customary international law rule 55. (B) Articles 14 and 18 of the Additional Protocol (II) to the Geneva Conventions of August 12, 1949. (2) That the Government of Saudi Arabia is facilitating the delivery and installation of cranes to the port of Hodeidah that will expedite the delivery of humanitarian assistance. (c) Comptroller General Report.--Not later than 60 days after the submittal of the certification described in subsection (b), the Comptroller General shall submit to the appropriate committees of Congress a report assessing whether the conclusions in the certification are fully supported, and the justification for the certification pursuant to subsection (a) is sufficiently detailed, and identifying whether any shortcomings, limitations, or other reportable matters exist that affect the quality of the certification. (d) Appropriate Committees of Congress Defined.--In this section, the term ``appropriate committees of Congress'' means-- (1) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate; and (2) the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives. \_\_\_\_\_\_ SA 1082. Mr. STRANGE (for himself, Mr. Peters, Ms. Baldwin, and Ms. Stabenow) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: In the funding table in section 4101, in the item relating to Littoral Combat Ship, increase the amount in the Senate Authorized column by $600,000,000. \_\_\_\_\_\_ SA 1083. Ms. DUCKWORTH submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of section 821, add the following: (c) Government Accountability Office Report on Frivolous Bid Protest Standard.--Not later than 180 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report explaining how the Government Accountability Office interprets and implements subparagraph (A) of section 2340(a)(2) of title 10, United States Code, as added by subsection (a), and, if warranted, providing recommendations on how to amend the frivolous protest standard defined pursuant to such subparagraph to make sure all relevant qualitative and quantitative factors are taken into account. \_\_\_\_\_\_ SA 1084. Mr. CORNYN submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_\_. ELIMINATION OF DEFENSE SEQUESTRATION. Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C 901) is amended-- (1) in subsection (a)-- (A) in paragraph (1), by striking ``Within'' and inserting ``Subject to subsection (d), within''; (B) in paragraph (2), by striking ``Each'' and inserting ``Subject to subsection (d), each''; (C) in paragraph (4), in the matter preceding subparagraph (A), by striking ``If'' inserting ``Subject to subsection (d), if''; (D) in paragraph (5), by striking ``If'' and inserting ``Subject to subsection (d), if''; and (E) in paragraph (6), by striking ``If'' and inserting ``Subject to subsection (d), if''; and (2) by adding at the end the following: ``(d) Exemption of Revised Security Category From Sequestration.-- ``(1) In general.--For fiscal year 2018, and each fiscal year thereafter, if there is a breach within the revised security category-- ``(A) there shall not be a sequestration within the revised security category; and ``(B) there shall be a sequestration within the revised nonsecurity category in the amount necessary to eliminate the breach within the revised security category. ``(2) Elimination of breach.--Any sequestration of the revised nonsecurity category under this subsection shall be implemented in accordance with subsection (a), as if the amount of the breach were a breach within the revised nonsecurity category.''. \_\_\_\_\_\_ SA 1085. Mr. CORKER submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: On page 342, line 16, insert after ``may'' the following: ``, with the concurrence of the Secretary of State,''. On page 342, beginning on line 18, strike ``, with the concurrence of the Secretary of State,''. On page 343, line 20, strike ``in consultation with'' and insert ``with the concurrence of''. On page 343, line 25, strike ``in consultation with'' and insert ``with the concurrence of''. On page 344, beginning on line 1, strike ``the congressional defense committees'' and insert ``the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on Armed Services and the Committee on Foreign Affairs of the House of Representatives''. On page 603, line 21, insert after ``may'' the following: ``, with the concurrence of the Secretary of State,''. On page 606, line 21, strike ``the congressional defense committees'' and insert ``the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate and the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives''. On page 632, line 14, strike ``the congressional defense committees'' and insert ``the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate and the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives''. On page 643, beginning on line 6, strike ``the Committees on Armed Services of the Senate and the House of Representatives'' and insert ``the Committee on Armed Services and the Committee on Foreign Relations of the Senate and the Committee on Armed Services and the Committee on Foreign Affairs of the House of Representatives''. On page 729, beginning on line 7, strike ``the congressional defense committees'' and insert ``the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate and the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives''. \_\_\_\_\_\_ SA 1086. Mr. STRANGE (for himself, Mr. Peters, Ms. Stabenow, and Ms. Baldwin) submitted an amendment intended to be proposed to amendment SA 1003 proposed by Mr. McCain (for himself and Mr. Reed) to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: In the funding table in section 4101, in the item relating to Littoral Combat Ship, increase the amount in the Senate Authorized column by $600,000,000. In line 999 of the funding table in section 4301, in the item relating to Fuel Savings, increase the reduction $600 million. [[Page S5768]] \_\_\_\_\_\_ SA 1087. Mr. BENNET (for himself and Mr. Gardner) submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_\_. RECOGNITION OF THE NATIONAL MUSEUM OF WORLD WAR II AVIATION. (a) Recognition.--The National Museum of World War II Aviation in Colorado Springs, Colorado, is recognized as America's National World War II Aviation Museum. (b) Effect of Recognition.--The National Museum recognized by this section is not a unit of the National Park System, and the recognition of the National Museum shall not be construed to require or permit Federal funds to be expended for any purpose related to the National Museum. \_\_\_\_\_\_ SA 1088. Mr. WYDEN (for himself, Mr. Merkley, and Mrs. Feinstein) submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle B of title V, add the following: SEC. \_\_\_. TRAINING FOR NATIONAL GUARD PERSONNEL ON WILDFIRE RESPONSE. (a) In General.--The Secretary of the Army and the Secretary of the Air Force shall, in consultation with the Chief of the National Guard Bureau, provide for training of appropriate personnel of the National Guard on wildfire response, with preference given to States with the most acres of Federal forestlands administered by the U.S Forest Service or the Department of the Interior. (b) Authorization of Appropriations.--There is authorized to be appropriated for the Department of Defense a total of $10,000,000, in addition to amounts authorized to be appropriated by sections 421 and 301, in order to carry out the training required by subsection (a) and provide related equipment. (c) Offset.--In the funding table in section 4101, in the item relating to Fuzes, Procurement of Ammunition, Air Force, decrease the amount in the Senate Authorized column by $10,000,000. \_\_\_\_\_\_ SA 1089. Mr. KAINE (for himself, Mr. Wicker, Mr. Thune, Mr. Nelson, and Mrs. Murray) submitted an amendment intended to be proposed by him to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of title XVI, add the following: Subtitle F--Cyber Scholarship Opportunities SEC. 1661. SHORT TITLE. This subtitle may be cited as the ``Cyber Scholarship Opportunities Act of 2017''. SEC. 1662. COMMUNITY COLLEGE CYBER PILOT ***PROGRAM*** AND ASSESSMENT. (a) Pilot ***Program***.--Not later than 1 year after the date of enactment of this subtitle, as part of the Federal Cyber Scholarship-for-Service ***program*** established under section 302 of the Cybersecurity Enhancement Act of 2014 (15 U.S.C 7442), the Director of the National Science Foundation, in coordination with the Director of the Office of Personnel Management, shall develop and implement a pilot ***program*** at not more than 10, but at least 5, community colleges to provide scholarships to eligible students who-- (1) are pursuing associate degrees or specialized ***program*** certifications in the field of cybersecurity; and (2)(A) have bachelor's degrees; or (B) are veterans of the armed forces. (b) Assessment.--Not later than 1 year after the date of enactment of this subtitle, as part of the Federal Cyber Scholarship-for-Service ***program*** established under section 302 of the Cybersecurity Enhancement Act of 2014 (15 U.S.C 7442), the Director of the National Science Foundation, in coordination with the Director of the Office of Personnel Management, shall assess the potential benefits and feasibility of providing scholarships through community colleges to eligible students who are pursuing associate degrees, but do not have bachelor's degrees. SEC. 1663. FEDERAL CYBER SCHOLARSHIP-FOR SERVICE ***PROGRAM*** UPDATES. (a) In General.--Section 302 of the Cybersecurity Enhancement Act of 2014 (15 U.S.C 7442) is amended-- (1) by striking subsection (b)(3) and inserting the following: ``(3) prioritize the employment placement of at least 80 percent of scholarship recipients in an executive agency (as defined in section 105 of title 5, United States Code); and ``(4) provide awards to improve cybersecurity education at the kindergarten through grade 12 level-- ``(A) to increase interest in cybersecurity careers; ``(B) to help students practice correct and safe online behavior and understand the foundational principles of cybersecurity; ``(C) to improve teaching methods for delivering cybersecurity content for kindergarten through grade 12 computer science curricula; and ``(D) to promote teacher recruitment in the field of cybersecurity.''; (2) by amending subsection (d) to read as follows: ``(d) Post-award Employment Obligations.--Each scholarship recipient, as a condition of receiving a scholarship under the ***program***, shall enter into an agreement under which the recipient agrees to work for a period equal to the length of the scholarship, following receipt of the student's degree, in the cybersecurity mission of-- ``(1) an executive agency (as defined in section 105 of title 5, United States Code); ``(2) Congress, including any agency, entity, office, or commission established in the legislative branch; ``(3) an interstate agency; ``(4) a State, local, or tribal government; or ``(5) a State, local, or tribal government-affiliated non- profit that is considered to be critical infrastructure (as defined in section 1016(e) of the USA Patriot Act (42 U.S.C 5195c(e)).''; (3) in subsection (f)-- (A) by amending paragraph (3) to read as follows: ``(3) have demonstrated a high level of competency in relevant knowledge, skills, and abilities, as defined by the national cybersecurity awareness and education ***program*** under section 401;''; and (B) by amending paragraph (4) to read as follows: ``(4) be a full-time student in an eligible degree ***program*** at a qualified institution of higher education, as determined by the Director of the National Science Foundation, except that in the case of a student who is enrolled in a community college, be a student pursuing a degree on a less than full- time basis, but not less than half-time basis; and''; and (4) by amending subsection (m) to read as follows: ``(m) Public Information.-- ``(1) Evaluation.--The Director of the National Science Foundation, in coordination with the Director of the Office of Personnel Management, shall periodically evaluate and make public, in a manner that protects the personally identifiable information of scholarship recipients, information on the success of recruiting individuals for scholarships under this section and on hiring and retaining those individuals in the public sector cyber workforce, including on-- ``(A) placement rates; ``(B) where students are placed, including job titles and descriptions; ``(C) student salary ranges for students not released from obligations under this section; ``(D) how long after graduation they are placed; ``(E) how long they stay in the positions they enter upon graduation; ``(F) how many students are released from obligations; and ``(G) what, if any, remedial training is required. ``(2) Reports.--The Director of the National Science Foundation, in coordination with the Office of Personnel Management, shall submit, at least once every 3 years, to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives a report, including the results of the evaluation under paragraph (1) and any recent statistics regarding the size, composition, and educational requirements of the Federal cyber workforce. ``(3) Resources.--The Director of the National Science Foundation, in coordination with the Director of the Office of Personnel Management, shall provide consolidated and user- friendly online resources for prospective scholarship recipients, including, to the extent practicable-- ``(A) searchable, up-to-date, and accurate information about participating institutions of higher education and job opportunities related to the field of cybersecurity; and ``(B) a modernized description of cybersecurity careers.''. (b) Savings Provision.--Nothing in this section, or an amendment made by this section, shall affect any agreement, scholarship, loan, or repayment, under section 302 of the Cybersecurity Enhancement Act of 2014 (15 U.S.C 7442), in effect on the day before the date of enactment of this subtitle. SEC. 1664. CYBERSECURITY TEACHING. Section 10(i) of the National Science Foundation Authorization Act of 2002 (42 U.S.C 1862n-1(i)) is amended-- (1) by amending paragraph (5) to read as follows: ``(5) the term `mathematics and science teacher' means a science, technology, engineering, mathematics, or computer science, including cybersecurity, teacher at the elementary school or secondary school level;''; and [[Page S5769]] (2) by amending paragraph (7) to read as follows: ``(7) the term `science, technology, engineering, or mathematics professional' means an individual who holds a baccalaureate, master's, or doctoral degree in science, technology, engineering, mathematics, or computer science, including cybersecurity, and is working in or had a career in such field or a related area; and''. \_\_\_\_\_\_ SA 1090. Ms. CORTEZ MASTO submitted an amendment intended to be proposed by her to the bill H.R 2810, to authorize appropriations for fiscal year 2018 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows: At the end of subtitle E of title V, add the following: SEC. \_\_\_. LIEUTENANT HENRY OSSIAN FLIPPER LEADERSHIP SCHOLARSHIPS. (a) In General.--The Secretary of the Army shall designate a number of scholarships under the Army Senior Reserve Officers' Training Corps (SROTC) ***program*** that are available to students at minority-serving institutions as ``Lieutenant Henry Ossian Flipper Leadership Scholarships''. (b) Number Designated.--The number of scholarships designated pursuant to subsection (a) shall be the number the Secretary determines appropriate to increase the number of Senior Reserve Officers' Training Corps scholarships at minority-serving institutions. In making the determination, the Secretary shall give appropriate consideration to the following: (1) The number of Senior Reserve Officers' Training Corps scholarships available at all institutions participating on the Senior Reserve Officer's Training Corps ***program***. (2) The number of such minority-serving institutions that offer the Senior Reserve Officers' Training Corps ***program*** to their students. (c) Amount of Scholarship.--The Secretary may increase any scholarship designated pursuant to subsection (a) to an amount in excess of the amount of the Senior Reserve Officers' Training Corps ***program*** scholarship that would otherwise be offered at the minority-serving institution concerned if the Secretary considers that a scholarship of such increased amount is appropriate for the purpose of the scholarship. (d) Minority-serving Institution Defined.--In this section, the term ``minority-serving institution'' means an institution of higher education described in section 371(a) of the Higher Education Act of 1965 (20 U.S.C 1067q(a)). \_\_\_\_\_\_ SA 1091. Mr. McCONNELL (for Mr. Wicker) proposed an amendment to the bill S. 129, to reauthorize and amend the National Sea Grant College ***Program*** Act, and for other purposes; as follows: Strike all after the enacting clause and insert the following: SECTION 1. SHORT TITLE. This Act may be cited as the ``National Sea Grant College ***Program*** Amendments Act of 2017''. SEC. 2. REFERENCES TO THE NATIONAL SEA GRANT COLLEGE ***PROGRAM*** ACT. Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National Sea Grant College ***Program*** Act (33 U.S.C 1121 et seq.). SEC. 3. MODIFICATION OF DEAN JOHN A. KNAUSS MARINE POLICY FELLOWSHIP. (a) In General.--Section 208(b) (33 U.S.C 1127(b)) is amended by striking ``may'' and inserting ``shall''. (b) Placements in Congress.--Such section is further amended-- (1) in the first sentence, by striking ``The Secretary'' and inserting the following: ``(1) In general.--The Secretary''; and (2) in paragraph (1), as designated by paragraph (1), in the second sentence, by striking ``A fellowship'' and inserting the following: ``(2) Placement priorities.-- ``(A) In general.--In each year in which the Secretary awards a legislative fellowship under this subsection, when considering the placement of fellows, the Secretary shall prioritize placement of fellows in the following: ``(i) Positions in offices of, or with Members on, committees of Congress that have jurisdiction over the National Oceanic and Atmospheric Administration. ``(ii) Positions in offices of Members of Congress that have a demonstrated interest in ocean, coastal, or Great Lakes resources. ``(B) Equitable distribution.--In placing fellows in offices described in subparagraph (A), the Secretary shall ensure that placements are equitably distributed among the political parties. ``(3) Duration.--A fellowship''. (c) Effective Date.--The amendments made by subsection (b) shall apply with respect to the first calendar year beginning after the date of the enactment of this Act. (d) Sense of Congress Concerning Federal Hiring of Former Fellows.--It is the sense of Congress that in recognition of the competitive nature of the fellowship under section 208(b) of the National Sea Grant College ***Program*** Act (33 U.S.C 1127(b)), and of the exceptional qualifications of fellowship awardees, the Secretary of Commerce, acting through the Under Secretary of Commerce for Oceans and Atmosphere, should encourage participating Federal agencies to consider opportunities for fellowship awardees at the conclusion of their fellowships for workforce positions appropriate for their education and experience. SEC. 4. MODIFICATION OF AUTHORITY OF SECRETARY OF COMMERCE TO ACCEPT DONATIONS FOR NATIONAL SEA GRANT COLLEGE ***PROGRAM***. (a) In General.--Section 204(c)(4)(E) (33 U.S.C 1123(c)(4)(E)) is amended to read as follows: ``(E) accept donations of money and, notwithstanding section 1342 of title 31, United States Code, of voluntary and uncompensated services;''. (b) Priorities.--The Secretary of Commerce, acting through the Under Secretary of Commerce for Oceans and Atmosphere, shall establish priorities for the use of donations accepted under section 204(c)(4)(E) of the National Sea Grant College ***Program*** Act (33 U.S.C 1123(c)(4)(E)), and shall consider among those priorities the possibility of expanding the Dean John A. Knauss Marine Policy Fellowship's placement of additional fellows in relevant legislative offices under section 208(b) of that Act (33 U.S.C 1127(b)), in accordance with the recommendations under subsection (c) of this section. (c) Report.--Not later than 180 days after the date of the enactment of this Act, the Director of the National Sea Grant College ***Program***, in consultation with the National Sea Grant Advisory Board and the Sea Grant Association, shall-- (1) develop recommendations for the optimal use of any donations accepted under section 204(c)(4)(E) of the National Sea Grant College ***Program*** Act (33 U.S.C 1123(c)(4)(E)); and (2) submit to Congress a report on the recommendations developed under paragraph (1). (d) Construction.--Nothing in this section shall be construed to limit or otherwise affect any other amounts available for marine policy fellowships under section 208(b) of the National Sea Grant College ***Program*** Act (33 U.S.C 1127(b)), including amounts-- (1) accepted under section 204(c)(4)(F) of that Act (33 U.S.C 1123(c)(4)(F)); or (2) appropriated pursuant to the authorization of appropriations under section 212 of that Act (33 U.S.C 1131). SEC. 5. REDUCTION IN FREQUENCY REQUIRED FOR NATIONAL SEA GRANT ADVISORY BOARD REPORT. Section 209(b)(2) (33 U.S.C 1128(b)(2)) is amended-- (1) in the heading, by striking ``Biennial'' and inserting ``Periodic''; (2) by striking the first sentence and inserting the following: ``The Board shall report to Congress at least once every four years on the state of the national sea grant college ***program*** and shall notify Congress of any significant changes to the state of the ***program*** not later than two years after the submission of such a report.''; and (3) in the second sentence, by adding before the end period the following: ``and provide a summary of research conducted under the ***program***''. SEC. 6. MODIFICATION OF ELEMENTS OF NATIONAL SEA GRANT COLLEGE ***PROGRAM***. Section 204(b) (33 U.S.C 1123(b)) is amended, in the matter preceding paragraph (1), by inserting ``for research, education, extension, training, technology transfer, and public service'' after ``financial assistance''. SEC. 7. DESIGNATION OF NEW NATIONAL SEA GRANT COLLEGES AND SEA GRANT INSTITUTES. Section 207(b) (33 U.S.C 1126(b)) is amended-- (1) in the subsection heading, by striking ``Existing Designees'' and inserting ``Additional Designations''; and (2) by striking ``Any institution'' and inserting the following: ``(1) Notification to congress of designations.-- ``(A) In general.--Not less than 30 days before designating an institution, or an association or alliance of two or more such institutions, as a sea grant college or sea grant institute under subsection (a), the Secretary shall notify Congress in writing of the proposed designation. The notification shall include an evaluation and justification for the designation. ``(B) Effect of joint resolution of disapproval.--The Secretary may not designate an institution, or an association or alliance of two or more such institutions, as a sea grant college or sea grant institute under subsection (a) if, before the end of the 30-day period described in subparagraph (A), a joint resolution disapproving the designation is enacted. ``(2) Existing designees.--Any institution''. SEC. 8. DIRECT HIRE AUTHORITY; DEAN JOHN A. KNAUSS MARINE POLICY FELLOWSHIP. (a) In General.--During fiscal year 2017 and any fiscal year thereafter, the head of any Federal agency may appoint, without regard to the provisions of subchapter I of chapter 33 of title 5, United States Code, other than sections 3303 and 3328 of that title, a qualified candidate described in subsection (b) directly to a position with the [[Page S5770]] Federal agency for which the candidate meets Office of Personnel Management qualification standards. (b) Dean John A. Knauss Marine Policy Fellowship.-- Subsection (a) applies with respect to a former recipient of a Dean John A. Knauss Marine Policy Fellowship under section 208(b) of the National Sea Grant College ***Program*** Act (33 U.S.C 1127(b)) who-- (1) earned a graduate or post-graduate degree in a field related to ocean, coastal, and Great Lakes resources or policy from an accredited institution of higher education; and (2) successfully fulfilled the requirements of the fellowship within the executive or legislative branch of the United States Government. (c) Limitation.--The direct hire authority under this section shall be exercised with respect to a specific qualified candidate not later than 2 years after the date that the candidate completed the fellowship described in subsection (b). SEC. 9. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL SEA GRANT COLLEGE ***PROGRAM***. (a) In General.--Section 212(a) (33 U.S.C 1131(a)) is amended-- (1) by amending paragraph (1) to read as follows: ``(1) In general.--There are authorized to be appropriated to the Secretary to carry out this title-- ``(A) $75,600,000 for fiscal year 2017; ``(B) $79,380,000 for fiscal year 2018; ``(C) $83,350,000 for fiscal year 2019; ``(D) $87,520,000 for fiscal year 2020; ``(E) $91,900,000 for fiscal year 2021; and ``(F) $96,500,000 for fiscal year 2022.''; and (2) by amending paragraph (2) to read as follows: ``(2) Priority activities for fiscal years 2017 through 2022.--In addition to the amounts authorized to be appropriated under paragraph (1), there are authorized to be appropriated $6,000,000 for each of fiscal years 2017 through 2022 for competitive grants for the following: ``(A) University research on the biology, prevention, and control of aquatic nonnative species. ``(B) University research on oyster diseases, oyster restoration, and oyster-related human health risks. ``(C) University research on the biology, prevention, and forecasting of harmful algal blooms. ``(D) University research, education, training, and extension services and activities focused on coastal resilience and United States working waterfronts and other regional or national priority issues identified in the ***strategic*** ***plan*** under section 204(c)(1). ``(E) University research and extension on sustainable aquaculture techniques and technologies. ``(F) Fishery research and extension activities conducted by sea grant colleges or sea grant institutes to enhance, and not supplant, existing core ***program*** funding.''. (b) Modification of Limitations on Amounts for Administration.--Paragraph (1) of section 212(b) (33 U.S.C 1131(b)) is amended to read as follows: ``(1) Administration.-- ``(A) In general.--There may not be used for administration of ***programs*** under this title in a fiscal year more than 5.5 percent of the lesser of-- ``(i) the amount authorized to be appropriated under this title for the fiscal year; or ``(ii) the amount appropriated under this title for the fiscal year. ``(B) Critical staffing requirements.-- ``(i) In general.--The Director shall use the authority under subchapter VI of chapter 33 of title 5, United States Code, and under section 210 of this title, to meet any critical staffing requirement while carrying out the activities authorized under this title. ``(ii) Exception from cap.--For purposes of subparagraph (A), any costs incurred as a result of an exercise of authority as described in clause (i) shall not be considered an amount used for administration of ***programs*** under this title in a fiscal year.''. (c) Allocation of Funding.-- (1) In general.--Section 204(d)(3) (33 U.S.C 1123(d)(3)) is amended-- (A) in the matter preceding subparagraph (A), by striking ``With respect to sea grant colleges and sea grant institutes'' and inserting ``With respect to sea grant colleges, sea grant institutes, sea grant ***programs***, and sea grant projects''; and (B) in subparagraph (B), in the matter preceding clause (i), by striking ``funding among sea grant colleges and sea grant institutes'' and inserting ``funding among sea grant colleges, sea grant institutes, sea grant ***programs***, and sea grant projects''. (2) Repeal of requirements concerning distribution of excess amounts.--Section 212 (33 U.S.C 1131) is amended-- (A) by striking subsection (c); and (B) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively. SEC. 10. TECHNICAL CORRECTIONS. The National Sea Grant College ***Program*** Act (33 U.S.C 1121 et seq.) is amended-- (1) in section 204(d)(3)(B) (33 U.S.C 1123(d)(3)(B)), by moving clause (vi) 2 ems to the right; and (2) in section 209(b)(2) (33 U.S.C 1128(b)(2)), as amended by section 6, in the third sentence, by striking ``The Secretary shall'' and inserting the following: ``(3) Availability of resources of department of commerce.--The Secretary shall''.

**Load-Date:** September 18, 2017

**End of Document**



[***USDA effort to maintain integrity of organic imports questioned***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PWX-23J1-DYNP-M1RP-00000-00&context=1516831)

FeedNavigator.com

October 27, 2017 Friday 7:32 AM GMT+1

Copyright 2017 William Reed Business Media Ltd. All Rights Reserved

**Section:** REGULATION

**Length:** 723 words

**Byline:** Aerin Einstein-curtis, , [*Aerin.Curtis@wrbm.com*](mailto:Aerin.Curtis@wrbm.com)

**Body**

A series of proposed instructions for certifying imported organic products may not go far enough to address concerns of market integrity, says analyst.

The US Department of ***Agriculture*** (USDA) released a set of interim <strong>[*instructions*](https://www.ams.usda.gov/sites/default/files/media/NOP4013IntegrityOrganicImports.pdf)​</strong>​ and best practices regarding ways to maintain the integrity of organic imports on Wednesday.

Anne Ross, farm policy analyst with the Cornucopia Institute, was less than impressed: <em>“While we are pleased the NOP [National Organic ***Program***] is providing certifiers guidance in this area, the instruction is an ineffective substitute for meaningful regulatory reform,”</em>​ she added.

<em>“Unscrupulous actors will continue to find ways to import organic grains into the US, unless and until, federal agencies implement coordinated, systematic and ***strategic*** testing of imports at US borders,”</em>​ she told FeedNavigator.

The USDA said the instructions highlight best practice and offer examples to aid certifiers in complying with current regulation. They are open to comment until December 26.

<em>“International supply chains for organic products can be complex, often involving multiple businesses (certified and uncertified) working across international borders</em>​,” said the USDA. <em>“With this growth and complexity have come questions about certifiers’ responsibilities under the regulations for oversight and verification of organic products imported into the United States.”</em>​

Fraud

Earlier this year it was found that several large feed grain shipments imported in the US were fraudulently <strong>[*labeled*](https://www.feednavigator.com/Article/2017/06/01/Reports-of-falsely-labeled-organic-feed-drive-industry-concerns)​</strong>​ as organic grains. Additionally, a recent assessment from the Office of Inspector General suggested <strong>   [*areas*](https://www.feednavigator.com/Article/2017/10/03/US-Better-oversight-of-organic-trade-called-for)​</strong>​ where improvements could be made.

The responsibility of enforcing US organic import regulations should not be placed only on certifiers, said Ross. Nor should major elements be left to individual’s discretion.

<em>“The USDA has to do its part through regulatory reform and unwavering enforcement,”</em>​ she said. The most recent instruction does not provide that, she added.

<em>“The instruction, which consists largely of check-the-box procedures, simply cannot accomplish what tougher regulatory standards and exacting penalties will do in deterring bad actors from importing fake organics,”</em>​ she said. <em>“The instruction does not address a major loophole in the regulatory framework that leaves some importers, distributors, and brokers exempt from certification.”</em>​

Additionally, a complete audit trail that can trace organic imports – preferably with an electronic tracking mechanism – back to the originating farm overseas is needed, she said. And the ability to levy harsher penalties also is essential, said Ross.

Responsibilities and best practices ​

Certifiers have the ability to certify organic handlers and ***producers*** in regards to the USDA organic regulations, the USDA said. They can be either foreign or domestic entities and public or private groups that meet the established requirements.

There also are equivalency arrangements that have been set with other countries to allow for organic trade, said the department. Recognition agreements have been established to allow other governments to accredit certifiers to USDA standards – but their role still is to certify that operations or products meet USDA organic requirements.

Although there are groups that are exempt from certification requirements, certifiers have a series of responsibilities in working with import and export operations; organic farms, ranches and businesses; grains and products; record keeping; audit trail examinations; site inspections and reviewing organic systems ***plans***, the USDA said. Certifiers also need to be aware of handling and the treatment of imported grain.

There also may be times when previous experience has found that obtaining an organic certificate for the last certified operation is not sufficient proof, or even when an organic certificate is not enough documentation to establish a product’s organic integrity, said the USDA.

In such cases, best practices would suggest that a certifier should track back the audit train to establish documents like the organic certificate for a previously involved certified organic operation, phytosanitary certificates or previous invoices to establish compliance.

**Load-Date:** November 7, 2017

**End of Document**



[***USDA effort to maintain integrity of organic imports questioned***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PX3-99R1-JC6M-X2H6-00000-00&context=1516831)

FeedNavigator.com

October 27, 2017 Friday 7:32 AM GMT+1

Copyright 2017 William Reed Business Media Ltd. All Rights Reserved

**Section:** REGULATION

**Length:** 723 words

**Byline:** Aerin Einstein-curtis, , [*Aerin.Curtis@wrbm.com*](mailto:Aerin.Curtis@wrbm.com)

**Body**

A series of proposed instructions for certifying imported organic products may not go far enough to address concerns of market integrity, says analyst.

The US Department of ***Agriculture*** (USDA) released a set of interim <strong>[*instructions*](https://www.ams.usda.gov/sites/default/files/media/NOP4013IntegrityOrganicImports.pdf)​</strong>​ and best practices regarding ways to maintain the integrity of organic imports on Wednesday.

Anne Ross, farm policy analyst with the Cornucopia Institute, was less than impressed: <em>“While we are pleased the NOP [National Organic ***Program***] is providing certifiers guidance in this area, the instruction is an ineffective substitute for meaningful regulatory reform,”</em>​ she added.

<em>“Unscrupulous actors will continue to find ways to import organic grains into the US, unless and until, federal agencies implement coordinated, systematic and ***strategic*** testing of imports at US borders,”</em>​ she told FeedNavigator.

The USDA said the instructions highlight best practice and offer examples to aid certifiers in complying with current regulation. They are open to comment until December 26.

<em>“International supply chains for organic products can be complex, often involving multiple businesses (certified and uncertified) working across international borders</em>​,” said the USDA. <em>“With this growth and complexity have come questions about certifiers’ responsibilities under the regulations for oversight and verification of organic products imported into the United States.”</em>​

Fraud

Earlier this year it was found that several large feed grain shipments imported in the US were fraudulently <strong>[*labeled*](https://www.feednavigator.com/Article/2017/06/01/Reports-of-falsely-labeled-organic-feed-drive-industry-concerns)​</strong>​ as organic grains. Additionally, a recent assessment from the Office of Inspector General suggested <strong>   [*areas*](https://www.feednavigator.com/Article/2017/10/03/US-Better-oversight-of-organic-trade-called-for)​</strong>​ where improvements could be made.

The responsibility of enforcing US organic import regulations should not be placed only on certifiers, said Ross. Nor should major elements be left to individual’s discretion.

<em>“The USDA has to do its part through regulatory reform and unwavering enforcement,”</em>​ she said. The most recent instruction does not provide that, she added.

<em>“The instruction, which consists largely of check-the-box procedures, simply cannot accomplish what tougher regulatory standards and exacting penalties will do in deterring bad actors from importing fake organics,”</em>​ she said. <em>“The instruction does not address a major loophole in the regulatory framework that leaves some importers, distributors, and brokers exempt from certification.”</em>​

Additionally, a complete audit trail that can trace organic imports – preferably with an electronic tracking mechanism – back to the originating farm overseas is needed, she said. And the ability to levy harsher penalties also is essential, said Ross.

Responsibilities and best practices ​

Certifiers have the ability to certify organic handlers and ***producers*** in regards to the USDA organic regulations, the USDA said. They can be either foreign or domestic entities and public or private groups that meet the established requirements.

There also are equivalency arrangements that have been set with other countries to allow for organic trade, said the department. Recognition agreements have been established to allow other governments to accredit certifiers to USDA standards – but their role still is to certify that operations or products meet USDA organic requirements.

Although there are groups that are exempt from certification requirements, certifiers have a series of responsibilities in working with import and export operations; organic farms, ranches and businesses; grains and products; record keeping; audit trail examinations; site inspections and reviewing organic systems ***plans***, the USDA said. Certifiers also need to be aware of handling and the treatment of imported grain.

There also may be times when previous experience has found that obtaining an organic certificate for the last certified operation is not sufficient proof, or even when an organic certificate is not enough documentation to establish a product’s organic integrity, said the USDA.

In such cases, best practices would suggest that a certifier should track back the audit train to establish documents like the organic certificate for a previously involved certified organic operation, phytosanitary certificates or previous invoices to establish compliance.

**Load-Date:** November 8, 2017

**End of Document**



[***-Fortune Minerals Provides NICO Project Update***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PB4-TMP1-JD3Y-Y02G-00000-00&context=1516831)

ENP Newswire

August 25, 2017 Friday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 2174 words

**Body**

LONDON, ON - Fortune Minerals Limited (TSX: FT) is pleased to provide an update of activities for its 100% owned NICO Cobalt-Gold-Bismuth-Copper Project in Canada.

NICO is a vertically integrated development consisting of a ***planned*** mine and concentrator in the Northwest Territories and refinery near Saskatoon where concentrate will be processed to battery grade cobalt sulphate, gold, bismuth metal and oxide, and copper. NICO is a primary cobalt project with approximately 60% of projected revenues from cobalt at current commodity prices, The NICO Mineral Reserves also contain more than 1.1 million ounces of gold and 12% of world bismuth reserves. NICO was assessed in a positive Feasibility Study in 2014. This study is being updated by Hatch Ltd. ('Hatch') and Micon International Limited ('Micon') in order to assess the economics for the project at current commodity price and exchange rate assumptions, and capital and operating costs. NICO has already received its environmental assessment approvals in the Northwest Territories and Saskatchewan and the major mine permits. Fortune has engaged PricewaterhouseCoopers Corporate Finance Inc. ('PwC') to arrange the project financing through a combination of ***strategic*** partnerships, debt and equity.

Cobalt Market Update

The market for cobalt has had significant, 20-year compounded annual growth ('CAGR') of approximately 6% and Commodities Research Unit ('CRU') reports current annual mine production at 117,000 metric tonnes ('mT'). Demand growth for cobalt is expected to accelerate due to its use in lithium-ion batteries (50% of the current market), which are needed to power portable electronic devices, electric vehicles ('EV's') and stationary cells to store electricity from renewable energy (primarily wind and solar), and off-peak charging from the electrical grid. Transformative evolution of automobiles from internal combustion engines to electric drivetrains is expected to dramatically impact future cobalt demand. Whereas a typical smart phone battery contains between 5 and 20 grams of cobalt, EV batteries usually contain between 4,000 and 14,000 grams. Tesla's first US$ 5 billion, 35 gigawatt-hour ('GWh') Gigafactory in Nevada started commercial production earlier this year and will require approximately 7,000 tonnes of cobalt per annum when it reaches full production in 2018. More than 16 battery mega-factories are either under construction or announced, including an even larger 100 GWh plant for CATL in China. Exane BNP Paribas is projecting 300,000 mTof cobalt will be required to satisfy the demand by 2025. Cobalt is also used in superalloys for aerospace applications, high strength alloys for cutting tools and cemented carbides, permanent magnets, surgical implants, pigments, catalysts, and additives in food and ***agricultural*** products.

The cobalt market transitioned into a supply deficit in 2016 that is expected to continue for the foreseeable future. Future supply is also at risk due to geographic concentration of mine and refinery supply and because 98% of current non-artisanal cobalt production is a by-product of either copper or nickel mining. Low primary metal prices have caused some copper-cobalt and nickel-cobalt mines to close. More than 60% of current mine production is from the politically unstable Democratic Republic of the Congo ('Congo') and China controls 52% of cobalt refinery production and 84% of refined cobalt chemical supply. Ethical sourcing of raw material has become an issue for the Electronics Industry Citizens Coalition ('EICC') because of child labour and unsafe working conditions in some Congo mines. There are also concerns about metals being used to finance conflicts under U.S. Dodd-Frank and European Union Ethical Sourcing legislation. The price of cobalt metal has escalated to approximately US$ 30 per pound, well in excess of the US$ 16 per pound used in Fortune's 2014 Feasibility Study.

NICO Mineral Reserves & Mine ***Plan***

The Proven and Probable Mineral Reserves for the NICO deposit were determined for the Company's 2013 Front-End Engineering and Design ('FEED') study and 2014 Feasibility Study. They total 33 million mT containing 82.3 million pounds of cobalt (37,341 mT), 1.11 million ounces of gold, 102.1 million pounds of bismuth (46,325 mT) and 27.2 million pounds of copper (12,341 mT). The Mineral Reserves are sufficient to support a 21-year mine life at the 4,650 mT of ore per day production rate used in the 2014 Feasibility Study. The study also identified several million tonnes of sub-economic mineralized material that was ***planned*** to be separately stockpiled for processing when metal prices permit and may be economic to process at today's metal prices. Given the positive outlook for cobalt, Fortune is re-evaluating the NICO Mineral Reserves and considering a higher production rate to achieve greater economies of scale and earlier access to the deeper higher grade parts of the deposit.

Feasibility Study Update

The Feasibility Study update by Hatch and Micon is proceeding well for the initially ***planned*** scope of work for the mine and concentrator in the Northwest Territories. However, two metallurgical testwork ***programs*** were required for Hatch to properly size equipment and conduct the detailed design work for the copper cementation circuit and the manganese removal step in the cobalt sulphate circuit for the refinery in Saskatchewan. This work is currently in progress at SGS Lakefield Research Limited, but due to laboratory congestion will not be completed until the end of October. The metallurgical flowsheet for NICO has previously been confirmed from piloting, and a high quality cobalt sulphate heptahydrate product has already been ***produced*** that meets the specifications of the rechargeable battery industry.

Completion of the Feasibility Study update has therefore been delayed until after this metallurgical testwork and optimization of the Mineral Reserves, production rate and mine schedule if and as required.

2017 Field Activities

Fortune has completed the winter, spring and summer phases of field activities at the NICO mine site that were required by Wek'eezhii Land and Water Board prior to the commencement of construction of the mine. This additional baseline monitoring was required pursuant to the Company's water license and consisted of collecting additional water quality, sediment, benthic invertebrate and fish population data. The final water quality sampling for this ***program*** will be completed in September.

While environmental work was carried out at NICO this summer, Fortune was also able to improve and expand roads and lay-down areas at the mine site in preparation for the arrival of supplies and materials on the winter ice road. Fortune ***plans*** to conduct the first year of construction of the NICO mine using winter road access while the Government of the Northwest Territories ('GNWT') Department of Transportation constructs a new all-weather gravel road to Whati. Fortune will construct a 50-kilometre gravel spur road to connect with the government road as part of its development. Fortune and the GNWT are also negotiating a Socio-Economic Agreement.

About NICO

NICO is a ***planned*** Canadian, vertically integrated, primary ***producer*** of cobalt with supply chain transparency and uninterrupted custody of metal from ore through to the production of battery chemicals, gold, and bismuth metal and oxide. The NICO deposit will be mined primarily by conventional truck and shovel open pit methods. Approximately one third of the mill feed during the first two years of operations are ***planned*** to be mined using underground blasthole open stoping to process higher margin, gold-rich ores from deeper in the deposit in early years of the mine life and improve project economics. Most of the preproduction development for the underground portion of the mine has already been established from previous test mining operations.

Ores will be processed in the mill using simple flotation to ***produce*** approximately 180 tonnes per day of concentrate containing the recoverable metals. The concentrate will be filtered, bagged and trucked to the rail head at Hay River for delivery by train to the Company's ***planned*** refinery straddling the Canadian National Railway near Saskatoon. The refinery will recover metals from the concentrate using a combination of secondary flotation, followed by pressure and atmospheric acid leaching, electro-winning and precipitation of value-add metals and chemicals. Life of mine average annual production in the 2014 Feasibility Study was projected to be 1,615 tonnes of cobalt, 41,300 ounces of gold, 1,750 tonnes of bismuth, and copper cement.

About Hatch

Hatch has over six decades of business and technical experience in the mining, energy, and infrastructure sectors. The firm has 9,000 staff with experience in over 150 countries and is well known for the design and construction of mineral beneficiation process plants and supporting infrastructure, including projects in remote and cold climate regions and Arctic regions of Canada.

About Micon

Micon is a mining consultancy providing independent professional advice to mining companies and their providers of capital, law firms and government agencies. Staffed by senior mineral industry consultants with extensive international experience in the fields of geology, mining engineering, metallurgy, processing, environmental management, market analysis and mineral economics.

About Fortune Minerals

Fortune is a Canadian mining company focused on developing the vertically integrated NICO cobalt-gold-bismuth-copper project in the Northwest Territories and a related refinery the Company ***plans*** to construct in Saskatchewan. Fortune also owns the Sue-Dianne copper-silver-gold deposit located 25 km north of NICO and a potential future source of incremental mill feed to extend the life of the NICO mill. The Company also maintains the right to repurchase the Arctos anthracite coal deposits in northwest British Columbia that were purchased by a provincial Crown corporation.

This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities legislation. This forward-looking information includes statements with respect to, among other things, the Company's ***plans*** to develop the NICO Project (including the Company's ***plans*** to secure project financing to start construction), the anticipated timing for the updated feasibility study for the NICO Project, the estimated capital costs for the construction of the NICO Project estimated future production, anticipated growth in the demand for cobalt, anticipated constraints on the supply of cobalt and ***plans*** for the construction of an all-season road needed for operations at the NICO Project. Forward-looking information is based on the opinions and estimates of management as well as certain assumptions at the date the information is given (including, in respect of the forward-looking information contained in this press release, assumptions regarding the Company's ability to arrange the necessary financing to continue operations and develop the NICO Project, growth in the demand for cobalt, restrictions on the supply of cobalt and the proposed construction of the all-season road, the economic environment in which the Company will operate in the future, including the price of gold, cobalt and other by-product metals, anticipated costs and the volumes of metals to be ***produced*** at the NICO Project). However, such forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the risks that the Company may not be able to finance and develop NICO on favourable terms or at all, the updated feasibility study may take longer than anticipated, the capital costs for the construction of the NICO Project may be greater than anticipated, the all-season road may not be built within the anticipated time frame, the market for rechargeable batteries and the use of stationary storage cells may not grow to the extent anticipated, the future supply of cobalt may not be as limited as anticipated, the Company's production of cobalt and other metals may be less than anticipated and other operational and development risks, market risks and regulatory risks. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. The forward-looking information contained herein is made as of the date hereof and the Company assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law.

Contact:

Troy Nazarewicz

Manager

Fortune Minerals Limited

Tel: 519-858-8188

Web: [*www.fortuneminerals.com*](http://www.fortuneminerals.com)

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** August 25, 2017

**End of Document**



[***-Berkeley Energia Limited - Quarterly Report September 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PV6-2SC1-JD3Y-Y2D0-00000-00&context=1516831)

ENP Newswire

October 30, 2017 Monday

Copyright 2017 Normans Media Limited All Rights Reserved



**Length:** 3300 words

**Body**

Significant stakeholder support and a funding package of up to US$ 120 million has brought the Salamanca mine one step closer to being the only major uranium mine in construction in the world today.

The benefits the investment is bringing to a region suffering some of the highest unemployment in the EU have been welcomed by both the Spanish media and the regional government. Local residents are being prioritised for training and jobs, with many residents of the nearby villages already working for the Company.

Highlights:

Berkeley Energia signs US$ 120 million sovereign wealth fund ***strategic*** investment to fully fund the Salamanca mine into production. The investment:

Positions the sovereign wealth fund of the Sultanate of Oman ('SGRF') as a long term ***strategic*** investor in the company

Gives SGRF the right to appoint a non-executive director to the Board

Gives SGRF the right to match future long-term uranium offtake contracts on the same commercial terms subject to certain limitations on volume

Strong support from key stakeholders:

Berkeley has been praised by Spanish media and regional government for its investment in the region and the employment it is generating

Local media highlighted that 'con Berkeley va a acabar el desempleo en la provincia de Salamanca' (unemployment will disappear in the province of Salamanca thanks to Berkeley)

To date, the Company has received job applications from over 25% of residents in the neighboring villages, highlighting the strong support locally for the employment the Company is generating

Works on site continue to progress:

Early works, such as the fencing of the project, are being completed by locally hired employees, demonstrating the Company's commitment to preferentially recruiting from the local area

The Company is finalising negotiations over the Mining Contract, Insurance Contract and Initial EPC Contracts, with announcements of awards in due course

The land acquisition process is almost complete, with a further 25 hectares acquired over the quarter, bringing the total to more than 625 hectares

Uranium market:

Production cuts from high-cost operations, most recently Areva's Niger operations, continue to bring the market into balance

Reduction in global supply is likely to hasten the arrival of the supply demand deficit

The Company currently has 2.75 million pounds of U3O8 concentrate under long term contracts over the first six years of production with a further 1.25 million pounds of optional volume

The Company's average fixed price per pound of contracted and optional volumes is above US$ 42 per pound, compared with a spot price of $ 20 per pound

The Company will continue to progressively build its offtake book and has granted SGRF the right to match future offtake transactions

Exploration:

The exploration campaign focusing on identifying additional targets with similar characteristics to Zona 7 has continued throughout the quarter

An intensive geochemical sampling ***programme*** was completed over two prospective areas, and samples are currently being tested for mobile metal ions using the Ionic Leach technique

Results will be reported to the market in due course

The Company is in a strong financial position with US$ 22.6 million in cash and no debt.

Managing Director, Paul Atherley, commented:

'We are delighted to welcome Oman's sovereign wealth fund as a long-term ***strategic*** investor in the Company and look forward to working closely with them to realise the full potential of the Salamanca mine.

With an agreement signed to fully finance the Salamanca mine to first production we are focused on continuing the progress made with the construction phase. Key equipment was delivered earlier this summer and we are continuing to add to our team on site, recruiting heavily from the local area.

Creating badly needed jobs is extremely important to us and we will continue to run training courses, equipping local residents with the skills needed for the 450 long term jobs the project is creating.

We have commenced recruitment and are prioritizing jobs for local residents. We are delighted to have received applications from over 110 of the 400 permanent residents of the nearby village of Villavieja, which reflects the strength of the local support for the investment. We ***plan*** to have employed over 80 residents by next year.

It's fantastic to have such strong support for our project among our key stakeholders in Spain, which reflects the growing awareness of the benefits the investment is bringing to the community.'

Contact:

Tel: +44 20 3903 1930

Berkeley Energia signs US$ 120 million sovereign wealth fund ***strategic*** investment to bring Salamanca into production

Berkeley Energia has entered into an investment agreement with the sovereign wealth fund of the Sultanate of Oman ('SGRF') agreeing to invest up to US$ 120 million to fully fund the Salamanca mine into production.

The investment will position SGRF as a long term ***strategic*** investor in the Company and is structured as:

o A non-interest bearing and unsecured convertible loan of US$ 65 million which can be converted into ordinary shares at 50 pence per share resulting in SGRF owning approximately 28% of the Company; and

o three tranches of options convertible at a weighted average price of 85 pence per share contributing a further US$ 55 million towards the later phases of the Company's development of the Salamanca mine resulting in SGRF holding a further 9% of the Company

SGRF will have the right to appoint a non-executive director to the Board and has the right to match future uranium offtake transactions on similar commercial terms subject to certain limitations on volume.

The investment is binding on the parties and is subject to approval by the Company's shareholders.

For full commercial terms please refer to the announcement dated 31 August 2017 entitled 'Berkeley Energia signs US$ 120 million sovereign wealth fund ***strategic*** investment to bring Salamanca into production'.

A Notice of Meeting will be sent to shareholders in the coming days including an Independent Expert's Report in relation to the transaction with the vote on the transaction expected to occur in November 2017 at the Company's Annual General Meeting.

During the construction phase, the Company intends to explore facilities to fund working capital requirements during the commissioning of the plant.

Infrastructure development continues and major contracts being finalised

The delivery of the primary crusher to site in July marked a key milestone in the construction of the Salamanca mine. The crusher was the first major piece of processing equipment to be delivered to site and its arrival marked the Company's transition from the development phase into the construction phase.

Throughout the quarter, the additional 25 employees recruited from the local area have been focused on exploration activities and initial works to prepare the site, with substantial progress made on tasks such as fencing the project.

Following the procurement of equipment for realignment of the electrical power line, works will commence once the road deviation ***programme*** is complete.

The Company has been working with Amec Foster Wheeler Group, one of the world's largest engineering groups, on developing the FEED ahead of awarding of the Pre-Execution Agreement and the Mining Contract

The Company has evaluated contracts from a number of experienced mining contractors and is in the process of finalising these, and ***plans*** to award them before the end of the year. Throughout the evaluation process management has remained focused on controlling cost escalation over the term of these and all other major contracts and suppliers to the Company.

Employment and training

The project is located in an area that has suffered badly from intergenerational unemployment and rural desertification, and last year 25,000 people left the region. As such, the Company's policy of preferentially hiring and training local residents for 450 jobs the project will create has been very well received.

The University of Salamanca has estimated that for this type of business there will be a multiplier factor of 5.1 indirect jobs for every direct job created, resulting in over 2,500 direct and indirect jobs being created as a consequence of the Company's investment in the area.

To date, over 120 locals have attended courses organised by the Company and 25% of residents from the local area have applied for jobs. The Company currently has a work force of nearly 70 people and over a quarter of these have been recruited from towns in the immediate vicinity.

Training ***programmes***, which have been historically well attended and oversubscribed, will continue to run throughout the year ensuring that sufficient people from the local communities are qualified for jobs created during the construction and mining phases.

Commitment to the community

The Company has been by far the biggest investor in the region, it has spent more than EUR70 million developing the project over the past decade and ***plans*** to invest an additional EUR250 million over the coming years

The Company has signed Cooperation Agreements with the highly supportive local municipalities, demonstrating its commitment to fostering positive relationships with these communities.

To date, through these agreements, the Company has provided Wifi networks for local villages, built play areas for children, repaired sewage water plants, upgraded sports facilities, and sponsored various sporting events and local festivals.

The Company has worked tirelessly over the past decade to develop positive and mutually beneficial relationships with the local communities and will continue to do so as construction ramps up.

The Company is pleased to have been recognised for this commitment by local media and politicians. Following a press conference in Salamanca this month, local papers highlighted that the Company has the potential to eradicate unemployment in the region.

The regional Minister for the Environment, Juan Carlos Suarez-Quinones, publicly praised the Company both for its investment in the region and its promise of job creation.

Committed to the highest environmental standards

The Salamanca mine is being developed to the highest international standards and the Company's commitment to the environment remains a priority. It holds certificates in Sustainable Mining and Environmental Excellence which were awarded by AENOR, an independent Spanish government agency.

The mine has been designed according to the very latest thinking on sustainable mining. The extraction and treatment areas will be continuously rehabilitated as operations progress and with minimum disturbance during operations. Once operations are complete, all areas utilised by the Company will be fully restored to an increased ***agricultural*** value.

As part of the Environmental Licence and the Environmental Measures ***Plan*** over 30,000 young oak trees will be planted over an area of 75 to 100 hectares. The first 20,000 of these will be planted in the nearby municipality of Vitigudino over an area of more than 500 hectares currently used by cattle farmers, despite its deteriorating ecological value.

Offtake ***programme*** and notable increase in public tender activity

The Company currently has 2.75 million pounds of U3O8 concentrate under long term contracts over the first six years of production. Potential exists to increase annual contracted volumes further as well as extend the contracts by a total of 1.25 million pounds.

The Company has maintained its preference to combine fixed and market related pricing across its contracts in order to secure positive margins in the early years of production whilst ensuring the Company remains exposed to potentially higher prices in the future.

Across the portfolio, the average fixed price per pound of contracted and optional volumes is above US$ 42 per pound. This compares favourably with the current spot price of around US$ 20 per pound.

The investment agreement signed with the SGRF grants the fund the right to match future uranium offtake transactions. This right to match is subject to an annual cap (on a rolling 12-month basis) which cannot exceed the greater of 1 million pounds of U3O8 concentrate per annum or 20% of annual production.

This cap gives SGRF the opportunity to be a meaningful offtake partner, whilst allowing the Company to continue negotiations with other offtake partners and progressively build its offtake book.

With the financing agreement signed, the Company intends to increase its offtaking activity next year once full construction of the mine is underway, and will participate in public and private offtake opportunities with global utilities, reporting regularly on progress.

The Company intends to sign contracts with a combination of fixed and market related pricing to lock in positive margins in the early years of production whilst ensuring the Company remains exposed to upside from potentially higher prices in the future.

The Company's view is that whilst uranium prices may remain flat in the near term, when the Salamanca mine is scheduled to come into production, the market is expected to be dominated by US utilities looking to re-contract who will at the same time be competing with Chinese and Japanese reactor demand, which may lead to higher spot and term contract prices.

Exploration ***programme*** expanded targeting Zona 7 style deposits

The exploration campaign focusing on identifying additional targets with similar characteristics to Zona 7 has continued throughout the quarter.

Following extensive structural mapping and the interpretation of regional geological structures, two areas totalling 100 km-2 were selected for an intensive geochemical sampling ***programme***, that will include 2,500 samples on a 200m x 200m grid.

Four field crews commenced with the sampling ***programme*** during the quarter and samples are currently being tested for mobile metal ions using the Ionic Leach technique. This highly sensitive technique can detect extremely low levels of uranium and other critical elements and is widely acknowledged to be the most adept at identifying subtle anomalies. The method is able to detect anomalies in areas with or without surface radiometric response.

To complement the soil sampling/Ionic Leach ***programme***, the Company is also undertaking ground radiometric survey readings and radon emissions tests at each of the sample collection points.

Results will be reported to the market in due course.

Permitting update

There is strong support for the Salamanca mine throughout all levels of government. To date, the Company has received more than 110 favourable reports and permits for the development of the mine.

The Urbanism Commission of Salamanca gave an Express Resolution for the granting of the Authorisation of Exceptional Land Use, and the Urbanism licence was subsequently awarded by way of Positive Administrative Silence on 20 October 2017, which is standard procedure for this type of permit under Spanish legislation.

With the Mining Licence, Environmental Licence and the Authorisation of Exceptional Land Use already obtained construction continues to proceed. The remaining approval is the Construction Authorization by the Ministry of Industry, Energy and Tourism for the treatment plant as a radioactive facility, which does not impact on current construction timelines.

Competent Persons Statement

The information in this Notice that relates to the Definitive Feasibility Study, Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is extracted from the announcement entitled 'Study confirms the Salamanca project as one of the world's lowest cost uranium ***producers***' dated 14 July 2016, which is available to view on Berkeley's website at [*www.berkeleyenergia.com*](http://www.berkeleyenergia.com).

Berkeley confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions and technical parameters underpinning the Mineral Resources, Ore Reserve Estimate, Production Target, and related forecast financial information derived from the Production Target included in the original announcement continue to apply and have not materially changed and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially modified from the original announcements.

The information in the original announcement that relates to the Definitive Feasibility Study is based on, and fairly represents, information compiled or reviewed by Mr. Jeffrey Peter Stevens, a Competent Person who is a Member of The Southern African Institute of Mining & Metallurgy, a 'Recognised Professional Organisation' ('RPO') included in a list posted on the ASX website from time to time. Mr. Stevens is employed by MDM Engineering (part of the Amec Foster Wheeler Group). Mr. Stevens has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original announcement that relates to the Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Mr. Andrew David Pooley, a Competent Person who is a Member of The Southern African Institute of Mining and Metallurgy', RPO included in a list posted on the ASX website from time to time. Mr. Pooley is employed by Bara Consulting (Pty) Ltd. Mr. Pooley has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original announcement that relates to the Mineral Resources for Zona 7 is based on, and fairly represents, information compiled or reviewed by Mr Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Forward Looking Statements

Statements regarding ***plans*** with respect to Berkeley's mineral properties are forward-looking statements. There can be no assurance that Berkeley's ***plans*** for development of its mineral properties will proceed as currently expected. There can also be no assurance that Berkeley will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Berkeley mineral properties. These forward-looking statements are based on Berkeley's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Berkeley, which could cause actual results to differ materially from such statements. Berkeley makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of that announcement.

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** October 30, 2017

**End of Document**



[***Washington: TEXT OF AMENDMENTS***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PSN-RN71-JDG9-Y4D8-00000-00&context=1516831)

Impact News Service

October 20, 2017 Friday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 62734 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 SA 1399. Mr. HELLER submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: [[Page S6661]] At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TAX SIMPLIFICATION. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to reforming Federal tax laws, which may include simplifying our existing tax laws and providing other job-creating relief, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1400. Mr. UDALL (for himself, Mr. Heinrich, Ms. Baldwin, and Ms. Heitkamp) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con.

Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO THE DEPLOYMENT OF UNIVERSAL BROADBAND TO EVERY HOME, COMMUNITY ANCHOR INSTITUTION, AND SMALL BUSINESS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the deployment of universal broadband to every home, community anchor institution, and small business by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1401. Ms. CANTWELL submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO EXPANDING THE BASIC HEALTH ***PROGRAM*** AS A PUBLIC OPTION THAT COVERS MORE AMERICANS AT LOWER COST. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the basic health ***program***, which may include expanding the basic health ***program*** under section 1331 of the Patient Protection and Affordable Care Act (42 U.S.C 18051) as a public option to lower health care costs for Americans in the individual health insurance market, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1402. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ADDRESSING CLIMATE CHANGE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to strengthening national security and promoting economic growth and public health by addressing human-induced climate change through increased use of clean energy and energy efficiency technologies to stabilize and reduce United States greenhouse gas emissions while providing adequate resources to support existing coal communities by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1403. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ***STRATEGIC*** PETROLEUM RESERVE DRAWDOWN AND SALE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to compliance with the reconciliation instructions for the Committee on Energy and Natural Resources of the Senate under section 2001, which may include the drawdown and sale of crude oil from the ***Strategic*** Petroleum Reserve established under part B of title I of the Energy Policy and Conservation Act (42 U.S.C 6231 et seq.) during fiscal years 2018 through 2027, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1404. Mr. PAUL proposed an amendment to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; as follows: On page 47, line 6, strike ``$1,500,000,000,000'' and insert ``$2,500,000,000,000''. \_\_\_\_\_\_ SA 1405. Mrs. MURRAY submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 4, line 25, increase the amount by $14,873,000,000. On page 5, line 1, increase the amount by $17,413,000,000. On page 5, line 2, increase the amount by $19,224,000,000. On page 5, line 3, increase the amount by $21,137,000,000. On page 5, line 4, increase the amount by $24,058,000,000. On page 5, line 5, increase the amount by $25,233,000,000. On page 5, line 6, increase the amount by $26,481,000,000. On page 5, line 7, increase the amount by $27,809,000,000. On page 5, line 8, increase the amount by $29,152,000,000. On page 5, line 9, increase the amount by $30,588,000,000. On page 5, line 13, increase the amount by $5,196,000,000. On page 5, line 14, increase the amount by $9,920,000,000. On page 5, line 15, increase the amount by $13,596,000,000. On page 5, line 16, increase the amount by $16,586,000,000. On page 5, line 17, increase the amount by $19,403,000,000. On page 5, line 18, increase the amount by $21,654,000,000. On page 5, line 19, increase the amount by $23,494,000,000. On page 5, line 20, increase the amount by $25,084,000,000. On page 5, line 21, increase the amount by $26,581,000,000. On page 5, line 22, increase the amount by $28,071,000,000. On page 6, line 1, increase the amount by $5,196,000,000. On page 6, line 2, increase the amount by $9,920,000,000. On page 6, line 3, increase the amount by $13,596,000,000. On page 6, line 4, increase the amount by $16,586,000,000. On page 6, line 5, increase the amount by $19,403,000,000. On page 6, line 6, increase the amount by $21,654,000,000. On page 6, line 7, increase the amount by $23,494,000,000. On page 6, line 8, increase the amount by $25,084,000,000. On page 6, line 9, increase the amount by $26,581,000,000. [[Page S6662]] On page 6, line 10, increase the amount by $28,071,000,000. On page 6, line 15, increase the amount by $5,196,000,000. On page 6, line 16, increase the amount by $15,116,000,000. On page 6, line 17, increase the amount by $28,712,000,000. On page 6, line 18, increase the amount by $45,298,000,000. On page 6, line 19, increase the amount by $64,701,000,000. On page 6, line 20, increase the amount by $86,355,000,000. On page 6, line 21, increase the amount by $109,849,000,000. On page 6, line 22, increase the amount by $134,933,000,000. On page 6, line 23, increase the amount by $161,514,000,000. On page 6, line 24, increase the amount by $189,585,000,000. On page 7, line 3, increase the amount by $5,196,000,000. On page 7, line 4, increase the amount by $15,116,000,000. On page 7, line 5, increase the amount by $28,712,000,000. On page 7, line 6, increase the amount by $45,298,000,000. On page 7, line 7, increase the amount by $64,701,000,000. On page 7, line 8, increase the amount by $86,355,000,000. On page 7, line 9, increase the amount by $109,849,000,000. On page 7, line 10, increase the amount by $134,933,000,000. On page 7, line 11, increase the amount by $161,514,000,000. On page 7, line 12, increase the amount by $189,585,000,000. On page 9, line 12, increase the amount by $14,843,000,000. On page 9, line 13, increase the amount by $5,165,000,000. On page 9, line 16, increase the amount by $17,206,000,000. On page 9, line 17, increase the amount by $9,713,000,000. On page 9, line 20, increase the amount by $18,670,000,000. On page 9, line 21, increase the amount by $13,042,000,000. On page 9, line 24, increase the amount by $20,106,000,000. On page 9, line 25, increase the amount by $15,555,000,000. On page 10, line 3, increase the amount by $22,449,000,000. On page 10, line 4, increase the amount by $17,795,000,000. On page 10, line 7, increase the amount by $22,953,000,000. On page 10, line 8, increase the amount by $19,373,000,000. On page 10, line 11, increase the amount by $23,453,000,000. On page 10, line 12, increase the amount by $20,465,000,000. On page 10, line 15, increase the amount by $23,982,000,000. On page 10, line 16, increase the amount by $21,258,000,000. On page 10, line 19, increase the amount by $24,480,000,000. On page 10, line 20, increase the amount by $21,909,000,000. On page 10, line 23, increase the amount by $25,024,000,000. On page 10, line 24, increase the amount by $22,507,000,000. On page 36, line 2, increase the amount by $30,000,000. On page 36, line 3, increase the amount by $30,000,000. On page 36, line 6, increase the amount by $207,000,000. On page 36, line 7, increase the amount by $207,000,000. On page 36, line 10, increase the amount by $554,000,000. On page 36, line 11, increase the amount by $554,000,000. On page 36, line 14, increase the amount by $1,031,000,000. On page 36, line 15, increase the amount by $1,031,000,000. On page 36, line 18, increase the amount by $1,609,000,000. On page 36, line 19, increase the amount by $1,609,000,000. On page 36, line 22, increase the amount by $2,280,000,000. On page 36, line 23, increase the amount by $2,280,000,000. On page 37, line 2, increase the amount by $3,028,000,000. On page 37, line 3, increase the amount by $3,028,000,000. On page 37, line 6, increase the amount by $3,827,000,000. On page 37, line 7, increase the amount by $3,827,000,000. On page 37, line 10, increase the amount by $4,672,000,000. On page 37, line 11, increase the amount by $4,672,000,000. On page 37, line 14, increase the amount by $5,564,000,000. On page 37, line 15, increase the amount by $5,564,000,000. \_\_\_\_\_\_ SA 1406. Mr. COONS submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROVIDING GREATER INCENTIVES FOR DOMESTIC MANUFACTURING. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to providing greater incentives for manufacturers who develop and manufacture their products in the United States, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1407. Mr. COONS submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO EXPANDING THE RESEARCH TAX CREDIT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to expanding the tax credit for increasing research activities, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1408. Mr. WARNER (for himself and Mr. Young) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO DIRECTING THE BUREAU OF LABOR STATISTICS TO CONDUCT THE WORK SCHEDULES AND WORK AT HOME SUPPLEMENT TO THE CURRENT POPULATION SURVEY. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to enabling the Bureau of Labor Statistics to conduct the Work Schedules and Work at Home Supplement to the Current Population Survey, which may include funding measures or other measures addressing that Supplement, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1409. Mr. BLUMENTHAL (for himself and Mr. Coons) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND TO REBUILD THE CRITICAL INFRASTRUCTURE OF PUERTO RICO. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to rebuilding the critical infrastructure of Puerto Rico by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through [[Page S6663]] 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1410. Mr. BLUMENTHAL (for himself and Mr. Coons) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ENSURING CLEAN DRINKING WATER FOR PUERTO RICO. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to ensuring clean drinking water for Puerto Rico by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1411. Mr. BLUMENTHAL (for himself and Mr. Coons) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REBUILDING AND RESTORING HOSPITALS IN PUERTO RICO. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to rebuilding and restoring hospitals in Puerto Rico by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1412. Mr. BLUMENTHAL (for himself and Mr. Coons) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REBUILDING AND REPLACING THE ELECTRIC GRID IN PUERTO RICO. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to rebuilding and replacing the electric grid in Puerto Rico by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1413. Mr. BLUMENTHAL (for himself and Mr. Coons) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REBUILDING AND RESTORING ROADS AND BRIDGES IN PUERTO RICO. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to rebuilding and restoring roads and bridges in Puerto Rico by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1414. Mr. BLUMENTHAL (for himself and Mr. Coons) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND TO REBUILD AND RESTORE TELECOMMUNICATIONS IN PUERTO RICO. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to rebuilding and restoring telecommunications in Puerto Rico by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1415. Mr. SULLIVAN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO BOLSTERING UNITED STATES MISSILE DEFENSE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to activities undertaken to-- (1) maintain and improve, with the allies of the United States, an effective, robust layered missile defense system capable of defending the citizens of the United States residing in territories and States of the United States, allies of the United States, and deployed Armed Forces of the United States; (2) increase the capability, capacity, and reliability of the United States homeland and theater ballistic missile defense systems to defend against the evolving and increasingly complex ballistic missile threats of adversaries of the United States; (3) develop a resilient space-based missile defense sensor layer to provide persistent, launch-to-intercept tracking, discrimination, and kill assessment of ballistic missile threats and provide this capability to the Armed Forces as soon as technically feasible; and (4) increase funding to homeland missile defense testing to ensure that United States defenses continue to evolve faster than the threats against which they are postured to defend by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1416. Mr. SULLIVAN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO BOLSTERING UNITED STATES MISSILE DEFENSE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to maintaining and improving, with the allies of the United States, an [[Page S6664]] effective, robust layered missile defense system, and to increasing the capability, capacity, and reliability of the United States homeland and theater ballistic missile defense systems by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1417. Mr. FRANKEN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REBUILDING RESILIENT INFRASTRUCTURE IN PUERTO RICO AND THE UNITED STATES VIRGIN ISLANDS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to rebuilding infrastructure in Puerto Rico and the United States Virgin Islands destroyed or damaged by Hurricanes Irma and Maria in a resilient and sustainable way that reduces the threat from future disasters, including rebuilding the electric grid and investing in distributed clean energy technologies such as solar, wind, energy efficiency, and battery storage as targeted in local clean energy legislation, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1418. Mr. FRANKEN (for himself and Mr. Udall) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO NATIONAL RENEWABLE ENERGY AND ENERGY EFFICIENCY TARGETS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to requiring all electric load serving entities to procure 30 percent of the electric supply of the entities from new renewable energy resources by 2030, and electric and natural gas distribution companies to invest in all cost-effective energy efficiency measures, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1419. Ms. COLLINS (for herself and Mr. Nelson) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO IMPROVING RETIREMENT SECURITY. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to improving retirement security, by making it easier for small businesses to provide retirement ***plans*** for their employees, by easing the administrative burden, and by encouraging individuals to increase their savings, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1420. Mrs. McCASKILL (for herself and Mr. Wyden) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 7

1, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title IV, add the following: SEC. 4\_\_. POINT OF ORDER AGAINST PROVIDING A TAX CUT TO THE TOP 1 PERCENT OR CREATING A LOOPHOLE FOR WEALTHY TAX DODGERS THROUGH LOWERING THE PASS- THROUGH TAX RATE. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report relating to a reconciliation bill that would-- (1) provide a tax cut on business income to individuals in the top 1 percent of income, or (2) increase the incentive for workers to receive compensation from their current employer through a pass- through business rather than in the form of higher-taxed wages. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1421. Mr. BROWN (for himself, Ms. Warren, Ms. Baldwin, Mr. Reed, and Mr. Durbin) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 3, line 12, increase the amount by $470,000,000. On page 3, line 13, increase the amount by $1,190,000,000. On page 4, line 1, increase the amount by $1,700,000,000. On page 4, line 2, increase the amount by $2,020,000,000. On page 4, line 3, increase the amount by $2,320,000,000. On page 4, line 4, increase the amount by $2,690,000,000. On page 4, line 5, increase the amount by $3,015,000,000. On page 4, line 6, increase the amount by $3,200,000,000. On page 4, line 7, increase the amount by $3,325,000,000. On page 4, line 8, increase the amount by $3,450,000,000. On page 4, line 12, increase the amount by $470,000,000. On page 4, line 13, increase the amount by $1,190,000,000. On page 4, line 14, increase the amount by $1,700,000,000. On page 4, line 15, increase the amount by $2,020,000,000. On page 4, line 16, increase the amount by $2,320,000,000. On page 4, line 17, increase the amount by $2,690,000,000. On page 4, line 18, increase the amount by $3,015,000,000. On page 4, line 19, increase the amount by $3,200,000,000. On page 4, line 20, increase the amount by $3,325,000,000. On page 4, line 21, increase the amount by $3,450,000,000. On page 4, line 25, increase the amount by $470,000,000. On page 5, line 1, increase the amount by $1,190,000,000. On page 5, line 2, increase the amount by $1,700,000,000. On page 5, line 3, increase the amount by $2,020,000,000. On page 5, line 4, increase the amount by $2,320,000,000. On page 5, line 5, increase the amount by $2,690,000,000. On page 5, line 6, increase the amount by $3,015,000,000. On page 5, line 7, increase the amount by $3,200,000,000. On page 5, line 8, increase the amount by $3,325,000,000. On page 5, line 9, increase the amount by $3,450,000,000. On page 5, line 13, increase the amount by $470,000,000. On page 5, line 14, increase the amount by $1,190,000,000. On page 5, line 15, increase the amount by $1,700,000,000. On page 5, line 16, increase the amount by $2,020,000,000. On page 5, line 17, increase the amount by $2,320,000,000. On page 5, line 18, increase the amount by $2,690,000,000. On page 5, line 19, increase the amount by $3,015,000,000. On page 5, line 20, increase the amount by $3,200,000,000. [[Page S6665]] On page 5, line 21, increase the amount by $3,325,000,000. On page 5, line 22, increase the amount by $3,450,000,000. On page 22, line 20, increase the amount by $470,000,000. On page 22, line 21, increase the amount by $470,000,000. On page 22, line 24, increase the amount by $1,190,000,000. On page 22, line 25, increase the amount by $1,190,000,000. On page 23, line 3, increase the amount by $1,700,000,000. On page 23, line 4, increase the amount by $1,700,000,000. On page 23, line 7, increase the amount by $2,020,000,000. On page 23, line 8, increase the amount by $2,020,000,000. On page 23, line 11, increase the amount by $2,320,000,000. On page 23, line 12, increase the amount by $2,320,000,000. On page 23, line 15, increase the amount by $2,690,000,000. On page 23, line 16, increase the amount by $2,690,000,000. On page 23, line 19, increase the amount by $3,015,000,000. On page 23, line 20, increase the amount by $3,015,000,000. On page 23, line 23, increase the amount by $3,200,000,000. On page 23, line 24, increase the amount by $3,200,000,000. On page 24, line 2, increase the amount by $3,325,000,000. On page 24, line 3, increase the amount by $3,325,000,000. On page 24, line 6, increase the amount by $3,450,000,000. On page 24, line 7, increase the amount by $3,450,000,000. On page 47, line 6, decrease the amount by $23,380,000,000. At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ENSURING THAT UNDERGRADUATE FEDERAL DIRECT STAFFORD LOAN STUDENT BORROWERS WILL NOT PAY INTEREST WHILE ATTENDING AN INSTITUTION OF HIGHER EDUCATION. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to ensuring that current Federal policy will continue for undergraduate Federal Direct Stafford Loan student borrowers and such borrowers will not pay interest on their Federal Direct Stafford Loans while enrolled in an institution of higher education, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1422. Mr. ENZI (for Mr. Portman) proposed an amendment to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following:- SEC. 3 \_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO THE PROVISION OF INCENTIVES FOR BUSINESSES TO INVEST IN AMERICA AND CREATE JOBS IN AMERICA. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to changes in federal tax laws, which may include international tax provisions that provide or enhance incentives for businesses to invest in America, generate American jobs, retain American jobs, and return jobs to America, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1423. Mr. DONNELLY submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ELIMINATING TAX BREAKS FOR COMPANIES THAT SHIP JOBS TO FOREIGN COUNTRIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to eliminating tax breaks for companies that outsource jobs to foreign countries, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1424. Mr. DONNELLY submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PREVENTING OUTSOURCING. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the consideration in Federal contracting policy of whether proposed contractors outsource United States jobs, to the clawing back of tax incentives received by, and the prohibition of tax breaks for, companies that outsource jobs and factories instead of investing in the United States economy, and to providing tax incentives for companies to relocate foreign jobs to the United States, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1425. Mr. NELSON submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the appropriate place, insert the following: SEC. \_\_\_. POINT OF ORDER AGAINST REPEALING OIL MORATORIUM THAT PROTECTS MILITARY READINESS. It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would allow for new oil drilling east of the Military Mission Line in the Gulf of Mexico. \_\_\_\_\_\_ SA 1426. Mr. RUBIO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO THE COLOMBIAN PEACE AGREEMENT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to providing additional support to the Government of Colombia for the implementation of a Colombian peace agreement which may include the Revolutionary Armed Forces of Colombia, which may include conditions relating to counternarcotics ***programs*** aerial eradication or extradition requests, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1427. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: [[Page S6666]] At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATED TO EXPANDING THE CHILD TAX CREDIT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to providing tax relief for working families, which may include an expansion of the child tax credit, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1428. Mr. ENZI (for Mr. Lee) proposed an amendment to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 57, line 19, insert ``, including rewriting the formula for payments under the ***program***'' after ``***program***''. \_\_\_\_\_\_ SA 1429. Mr. ENZI (for Mr. Lee) proposed an amendment to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO CLARIFYING FEDERAL JURISDICTION IN RELATION TO INTRASTATE SPECIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting Federal regulation of entirely intrastate species under the Endangered Species Act of 1973 (16 U.S.C 1531 et seq.) by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1430. Mr. ENZI (for Mr. Lee) proposed an amendment to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 49, line 5, insert ``, which may include nullification of any regulations promulgated under title I of the Patient Protection and Affordable Care Act (including any amendment made by such title)'' before ``by the''. \_\_\_\_\_\_ SA 1431. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 56, between lines 8 and 9, insert the following: (5) assessing nuclear deterrent effectiveness; (6) encouraging the submission of an overall national security strategy; (7) limiting United States military engagements abroad that are not explicitly authorized by an Act of Congress; (8) prohibiting the Armed Forces from participating in a humanitarian operation, or assisting in a civil war, ethnic conflict, tribal or territorial dispute, without an explicit authorization by an Act of Congress; or (9) placing limitations on United States military engagements and foreign military sales to either party or side (whether rebel, opposition group, or established government) in an internal, domestic, or civil war or dispute within a country or relating to activities in pursuit of autonomy or independence, \_\_\_\_\_\_ SA 1432. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO THE DISPOSAL OF EXCESS FEDERAL LAND TO REDUCE THE FEDERAL DEFICIT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the disposal of excess Federal land to reduce the Federal deficit by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1433. Mr. MANCHIN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ***STRATEGIC*** ENERGY INFRASTRUCTURE PROJECTS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to making any regional large-scale ***strategic*** energy infrastructure project with the potential to significantly contribute to the economic resilience of the region in which the project is located eligible for a loan guarantee under section 1703 of the Energy Policy Act of 2005 (42 U.S.C 16513), by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1434. Mr. MANCHIN (for himself, Mr. Casey, and Mr. Warner) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ECONOMIC REVITALIZATION FOR COAL COUNTRY. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to providing funds to States and Indian tribes for the purpose of promoting economic revitalization, diversification, and development in economically distressed communities through the reclamation and restoration of land and water resources adversely affected by coal mining carried out before August 3, 1977, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1435. Mr. BENNET (for himself and Mr. Gardner) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO A LIFETIME BAN ON SENATORS AND MEMBERS OF THE HOUSE OF REPRESENTATIVES ENGAGING IN LOBBYING. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this [[Page S6667]] resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to a lifetime ban on Senators and Members of the House of Representatives engaging in lobbying by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1436. Mr. DURBIN (for himself and Ms. Duckworth) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST LEGISLATION THAT WOULD CUT MEDICARE OR MEDICAID BENEFITS FOR WORKING-CLASS AND MIDDLE-INCOME ILLINOISANS WHILE CUTTING TAXES FOR THE WEALTHY AND LARGE CORPORATIONS. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that shortens the financial stability of Medicare or Medicaid or cuts benefits under Medicare or Medicaid for working-class and middle-income Illinoisans while cutting taxes for the wealthy and large corporations. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1437. Mr. DURBIN (for himself and Ms. Duckworth) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PREVENTING LEGISLATION FROM RAISING TAXES ON MIDDLE-INCOME ILLINOISANS WHILE CUTTING TAXES FOR THE WEALTHY AND LARGE CORPORATIONS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to preventing tax increases on middle-income Illinoisans while cutting taxes for the wealthy and large corporations, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1438. Mr. DURBIN (for himself, Mr. Reed, Ms. Baldwin, Ms. Duckworth, Mr. Van Hollen, Mr. Leahy, and Mr. Franken) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROHIBITING INVERTED CORPORATIONS FROM AVOIDING UNITED STATES TAXES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to preventing certain corporation from avoiding paying their fair share of United States taxes, which may include reforming the definition of an inverted corporation under the Internal Revenue Code of 1986 or preventing earnings stripping, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1439. Mr. DURBIN (for himself and Ms. Duckworth) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROVIDING TAX INCENTIVES TO BUSINESSES TO HIRE YOUTH FROM ECONOMICALLY DISTRESSED AREAS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the modification and extension of the work opportunity tax credit, which may include increasing the amount of the credit and expanding the credit to allow for year-round employment of at-risk youth, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1440. Mr. DURBIN (for himself, Mr. Reed, Mr. Van Hollen, and Mr. Franken) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PREVENTING CERTAIN CORPORATIONS FROM PROFITING FROM GOVERNMENT CONTRACTS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to preventing certain corporations that avoid paying their fair share of United States taxes from profiting from Federal government contracts, which may include revising the definition of an inverted corporation or identifying corporations that were previously located in the United States and are now located in foreign countries such as the United Kingdom, Bermuda, or the Cayman Islands, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1441. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TAX DEDUCTIONS FOR PUNITIVE DAMAGES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the business deductions under the Internal Revenue Code of 1986, which may include disallowing such a deduction for punitive damages, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1442. Mrs. MURRAY (for herself, Mr. Brown, Mr. Booker, Ms. Warren, and Mr. Blumenthal) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States [[Page S6668]] Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ADDRESSING THE GENDER WAGE GAP THROUGH AN UPDATE OF THE EMPLOYER INFORMATION REPORT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports, relating to addressing the gender wage gap through an update of the Employer Information Report (EEO-1) that includes gathering data from employers about compensation by race, ethnicity, gender, and job category, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1443. Mrs. MURRAY (for herself, Mr. Brown, Mr. Booker, Ms. Warren, and Mr. Blumenthal) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROTECTING WORKERS FROM WAGE THEFT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to protecting workers from wage theft, which may include (1) creating new civil penalties for employers who engage in wage theft; (2) giving workers the right to receive full compensation for all of the work that they perform; (3) giving workers the right to receive their final paychecks in a timely manner; (4) requiring employers to provide regular paystubs to workers; (5) increasing the amount of damages workers receive when they experience wage theft or experience retaliation for filing a complaint about wage theft; (6) increasing the number of years that workers have to bring a wage theft claim in court and suspending that time limit while the Department of Labor is conducting an investigation; or (7) directing the Department of Labor to refer employers responsible for egregious and comprehensive violations to the Department of Justice for criminal prosecution, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1444. Mrs. MURRAY (for herself, Mr. Brown, Mr. Booker, Ms. Warren, and Mr. Blumenthal) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO SIGNIFICANTLY INCREASING OVERTIME PROTECTIONS FOR MIDDLE-CLASS WORKERS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to protecting workers from working overtime hours without compensation, which may include a substantial increase in overtime protections for middle class workers, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1445. Mrs. MURRAY (for herself, Mr. Franken, Mr. Brown, Mr. Booker, and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ACHIEVING ECONOMY AND EFFICIENCY IN FEDERAL PROCUREMENT BY ENSURING CONTRACTOR COMPLIANCE WITH EXISTING LAW. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to achieving economy and efficiency in Federal procurement by ensuring contractor compliance with existing law, including compliance with the Americans with Disabilities Act of 1990, title VII of the Civil Rights Act of 1964, the Occupational Safety and Health Act of 1970, the Fair Labor Standards Act of 1938, and the National Labor Relations Act, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1446. Mr. UDALL (for himself and Mr. Heinrich) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO THE SHORTFALLS OF THE RADIATION EXPOSURE COMPENSATION ACT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to ensuring that compensation be provided to people in the United States who were sickened by radiation exposure by above ground nuclear weapons testing throughout the western United States and Pacific islands, and to those were sickened by radiation while working in the uranium mining industry during the Cold War, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1447. Mr. UDALL submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO HOUSING FOR ALL NATIVE AMERICANS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to ensuring that funding under the Native American Housing Assistance and Self-Determination Act of 1996 provides funding to all Native American communities, including Alaska Natives and Native Hawaiians, to address the critical housing needs throughout Indian Country, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1448. Mr. UDALL submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: [[Page S6669]] SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TRUST ACQUISITIONS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to trust acquisitions, which may include prohibiting regulations that revise the Department of the Interior's land into trust acquisition process, whether for on-reservation or off- reservation acquisitions, or that could result in a de facto moratorium on trust acquisitions, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1449. Mr. REED submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REDUCING THE GEOGRAPHIC IMBALANCE IN FEDERAL RESEARCH FUNDING AND IMPROVING RESEARCH INFRASTRUCTURE AND CAPACITY THROUGHOUT THE STATES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the Established ***Program*** to Stimulate Competitive Research of the National Aeronautics and Space Administration (commonly known as ``ESPCoR''), which may include support for States and jurisdictions that are historically underserved by Federal research and development funding, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1450. Mr. REED submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ELIMINATING CORPORATE DEDUCTIONS FOR COMPENSATION IN EXCESS OF $1,000,000. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to reducing the tax code's subsidization of corporate compensation, which may include eliminating corporate deductions for compensation in excess of $1,000,000, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1451. Mr. REED (for himself and Mr. Brown) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST LIMITING ACCESS TO HEALTH CARE FOR CHILDREN. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would reduce health insurance coverage for children, including cuts to Medicaid, the Children's Health Insurance ***Program*** (CHIP), or the Patient Protection and Affordable Care Act, such as restricting Federal requirements that private insurance provide coverage for pediatric services. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1452. Mr. REED (for himself, Mr. Blumenthal, and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST CUTTING LONG-TERM SERVICES AND SUPPORTS FOR SENIORS. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would cut long term services and supports for seniors, including nursing home care and home and community-based care, under the Medicaid ***program*** under title XIX of the Social Security Act (42 U.S.C 1396 et seq.) by reducing Federal funding of State Medicaid ***programs***, including by instituting a block grant model for Federal funding of State Medicaid ***programs*** or imposing per capita caps on Federal funding of State Medicaid ***programs***. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1453. Mr. REED (for himself and Mr. Coons) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO EXPANDING NATIONAL SERVICE OPPORTUNITIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to strengthening and expanding national service ***programs*** offered through the Corporation for National and Community Service, which may include increasing the value of the education awards earned by national service ***program*** volunteers, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1454. Mr. REED (for himself, Mr. Whitehouse, Ms. Hirono, and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCREASING THE MAXIMUM FEDERAL PELL GRANT AWARD AND ADJUSTING THE AWARD FOR INFLATION. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing the maximum Federal Pell Grant award and ensuring that the award is adjusted for inflation, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1455. Mr. REED (for himself and Mr. Brown) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the [[Page S6670]] concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO SCHOOL INFRASTRUCTURE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to establishing a ***program*** to address critical infrastructure needs in the public elementary and secondary schools of the United States, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1456. Mr. REED (for himself and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST INCREASING THE COSTS TO BORROWERS IN THE FEDERAL STUDENT LOAN ***PROGRAMS***. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would increase the cost to borrowers of Federal education loans made to students or on behalf of students, including a switch to fair value accounting rules. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1457. Mr. REED (for himself and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ELIMINATING NEGATIVE SUBSIDIES IN THE FEDERAL STUDENT LOAN ***PROGRAM*** AND REDUCING COSTS FOR BORROWERS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to reforming the Federal student loan ***programs*** under title IV of the Higher Education Act of 1965 (20 U.S.C 1070 et seq.) to eliminate negative subsidies and reduce costs for borrowers, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1458. Mr. REED submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROVIDING FOR FIVE YEARS OF FEDERAL FUNDING FOR SHORT- TIME COMPENSATION ***PROGRAMS***, WHICH PREVENT LAYOFFS AND KEEP AMERICANS EMPLOYED. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to providing for five years of Federal funding for short-time compensation ***programs***, which prevent layoffs and keep Americans employed, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1459. Mr. REED submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO SECURING THE LONG-TERM INTEGRITY OF THE AMERICAN WORKFORCE BY MODERNIZING UNEMPLOYMENT COMPENSATION TO HELP INSURE AGAINST JOB LOSS DUE TO AUTOMATION, ECONOMIC DOWNTURNS, AND DISASTERS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to securing the long-term integrity of the American workforce by modernizing unemployment compensation, including by insuring against job loss due to automation, economic downturns and disasters, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1460. Mr. REED (for himself, Mr. Durbin, and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REFORMING STUDENT LOAN ***PROGRAMS***. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to student loan reform, which may include establishing a policy of risk sharing to require institutions of higher education to assume some of the risk for student loans, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1461. Mr. HOEVEN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3 \_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TAX RELIEF FOR NON-CORPORATE SMALL BUSINESS OWNERS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions amendments, amendments between the Houses, motions, or conference reports relating to changes in Federal tax laws, which may include reducing the roughly 45% top marginal rate applicable to small business owners, in a manner that will prevent re-characterization of personal income as business income, and further reform the pass-through area, including loophole closers by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1462. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. [[Page S6671]] Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO REPEALING THE DAVIS-BACON ACT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to repealing the prevailing wage rate requirements by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1463. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO THE INSTITUTIONAL ELIGIBILITY REQUIREMENTS FOR PARTICIPATION IN POSTSECONDARY STUDENT FINANCIAL AID ***PROGRAMS***. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the eligibility requirements for institutions of higher education to participate in the student financial assistance ***programs***, by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1464. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO EXPANDING HEALTH SAVINGS ACCOUNTS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to expanding health savings accounts by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1465. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO WORK REQUIREMENT MODIFICATIONS TO THE SUPPLEMENTAL NUTRITION ASSISTANCE ***PROGRAM*** AND ESTABLISHING A STATE OPTION TO INSTITUTE MEDICAID WORK REQUIREMENTS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to modifying work requirements for participation in the supplemental nutrition assistance ***program*** established under the Food and Nutrition Act of 2008 (7 U.S.C 2011 et seq.), and establishing a State option to institute Medicaid work requirements, by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1466. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 49, line 5, insert ``which may include prohibiting additional States from adopting the Medicaid expansion established by the Patient Protection and Affordable Care Act or eliminating the enhanced Federal medical assistance percentages applicable to State expenditures for medical assistance provided under such Medicaid expansion,'' before ``by the amounts''. \_\_\_\_\_\_ SA 1467. Mr. CASSIDY (for himself and Mr. Carper) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCREASING ACCESS TO HEALTH SAVINGS ACCOUNTS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing access to, and expanding the use of, health savings accounts, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1468. Mr. CASSIDY submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCENTIVIZING PRICE TRANSPARENCY IN OUR HEALTH CARE SYSTEM. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to allowing States to combine waivers under section 1115 of the Social Security Act and waivers under section 1332 of the Patient Protection and Affordable Care Act to better serve the unique needs of the populations in their States, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1469. Mr. CASSIDY submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO LEGISLATION TO IMPROVE THE QUALITY OF CARE IN MEDICAID. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments [[Page S6672]] between the Houses, motions, or conference reports relating to legislation that would improve the quality of care in the Medicaid ***program***, which may include streamlining care delivery, rewarding high-quality care, increasing the ability of States to innovate, improving oversight of waste, fraud, and abuse, and improving quality metrics, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1470. Mr. CASSIDY (for himself and Mr. Carper) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO GIVING STATES THE ABILITY TO IMPLEMENT ALTERNATIVES TO THE INDIVIDUAL MANDATE AND USE OTHER MECHANISMS FOR INCENTIVIZING ENROLLMENT IN HEALTH INSURANCE COVERAGE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to giving States the ability to implement alternatives to the individual mandate and use other mechanisms for incentivizing enrollment in health insurance coverage, which may include the option of automatic enrollment in health insurance coverage, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1471. Mr. CASSIDY (for himself, Mr. Carper, Mr. Bennet, Mr. Young, and Mr. Barrasso) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCENTIVIZING PRICE TRANSPARENCY IN OUR HEALTH CARE DELIVERY SYSTEM. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to incentivizing price transparency in our health care delivery system, which may include addressing surprise medical billing, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1472. Mr. CASSIDY submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCENTIVIZING PRICE TRANSPARENCY IN OUR HEALTH CARE SYSTEM. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing the ability of States to apply for and receive, and incentivizing States to apply for, a waiver under section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C 18052) to act as pass-through entities for funding, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1473. Mr. MANCHIN (for himself, Mrs. Murray, and Mr. Blumenthal) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 3, line 12, increase the amount by $7,235,000,000. On page 3, line 13, increase the amount by $7,506,000,000. On page 4, line 1, increase the amount by $7,666,000,000. On page 4, line 2, increase the amount by $7,763,000,000. On page 4, line 3, increase the amount by $7,657,000,000. On page 4, line 4, increase the amount by $7,748,000,000. On page 4, line 5, increase the amount by $7,847,000,000. On page 4, line 6, increase the amount by $7,954,000,000. On page 4, line 7, increase the amount by $8,071,000,000. On page 4, line 8, increase the amount by $8,212,000,000. On page 4, line 12, increase the amount by $7,235,000,000. On page 4, 1ine 13, increase the amount by $7,506,000,000. On page 4, line 14, increase the amount by $7,666,000,000. On page 4, line 15, increase the amount by $7,763,000,000. On page 4, line 16, increase the amount by $7,657,000,000. On page 4, line 17, increase the amount by 7,748,000,000. On page 4, line 18, increase the amount by $7,847,000,000. On page 4, line 19, increase the amount by $7,954,000,000. On page 4, line 20, increase the amount by $8,071,000,000. On page 4, line 21, increase the amount by $8,212,000,000. On page 4, line 25, increase the amount by $7,469,000,000. On page 5, line 1, increase the amount by $7,614,000,000. On page 5, line 2, increase the amount by $7,815,000,000. On page 5, line 3, increase the amount by $7,630,000,000. On page 5, line 4, increase the amount by $7,723,000,000. On page 5, line 5, increase the amount by $7,820,000,000. On page 5, line 6, increase the amount by $7,925,000,000. On page 5, line 7, increase the amount by $8,035,000,000. On page 5, line 8, increase the amount by $8,172,000,000. On page 5, line 9, increase the amount by $8,323,000,000. On page 5, line 13, increase the amount by $7,235,000,000. On page 5, line 14, increase the amount by $7,506,000,000. On page 5, line 15, increase the amount by $7,666,000,000. On page 5, line 16, increase the amount by $7,763,000,000. On page 5, line 17, increase the amount by $7,657,000,000. On page 5, line 18, increase the amount by $7,748,000,000. On page 5, line 19, increase the amount by $7,847,000,000. On page 5, line 20, increase the amount by $7,954,000,000. On page 5, line 21, increase the amount by $8,071,000,000. On page 5, line 22, increase the amount by $8,212,000,000. On page 22, line 20, increase the amount by $7,469,000,000. On page 22, line 21, increase the amount by $7,235,000,000. On page 22, line 24, increase the amount by $7,614,000,000. On page 22, line 25, increase the amount by $7,506,000,000. On page 23, line 3, increase the amount by $7,815,000,000. On page 23, line 4, increase the amount by $7,666,000,000. On page 23, line 7, increase the amount by $7,630,000,000. On page 23, line 8, increase the amount by $7,763,000,000. On page 23, line 11, increase the amount by $7,723,000,000. On page 23, line 12, increase the amount by $7,657,000,000. On page 23, line 15, increase the amount by $7,820,000,000. On page 23, line 16, increase the amount by $7,748,000,000. On page 23, line 19, increase the amount by $7,925,000,000. On page 23, line 20, increase the amount by $7,847,000,000. On page 23, line 23, increase the amount by $8,035,000,000. On page 23, line 24, increase the amount by $7,954,000,000. On page 24, line 2, increase the amount by $8,172,000,000. On page 24, line 3, increase the amount by $8,071,000,000. On page 24, line 6, increase the amount by $8,323,000,000. [[Page S6673]] On page 24, line 7, increase the amount by $8,212,000,000. On page 47, line 6, reduce the amount by $77,659,000,000. At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST LEGISLATION THAT WOULD REDUCE THE FUNDING FOR FINANCIAL AID MADE AVAILABLE TO LOW AND MIDDLE INCOME INDIVIDUALS THROUGH THE FEDERAL PELL GRANT ***PROGRAM***. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would reduce the funding for financial aid made available to low and middle income individuals through the Federal Pell Grant ***program*** under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C 1070a et seq.), including cuts to mandatory funding and budget authority provided for the Federal Pell Grant increase calculated under section 401(b)(7) of the Higher Education Act of 1965 (20 U.S.C 1070a(b)(7)). (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1474. Mr. BLUMENTHAL submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO IMPROVING DRUG PRICING TRANSPARENCY FOR CONSUMERS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to improving drug pricing transparency for consumers, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1475. Mr. BLUMENTHAL submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROTECTING STUDENTS FROM PREDATORY FOR-PROFIT INSTITUTIONS OF HIGHER EDUCATION. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to protecting students, including students who are veterans of the armed forces, from predatory for-profit institutions of higher education by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1476. Mr. BLUMENTHAL submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST REDUCING FUNDING FOR FEDERAL STUDENT FINANCIAL AID ***PROGRAMS***. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would reduce funding for Federal student financial aid ***programs***. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1477. Mr. BLUMENTHAL (for himself and Mr. Wyden) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO EXPANDING ACCESS TO HIGH-QUALITY MENTORING AND OTHER POLICIES AND HIGH-QUALITY ***PROGRAMS*** AND SERVICES AIMED AT IMPROVING SOCIAL CAPITAL FOR FOSTER YOUTH. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to expanding access to high-quality mentoring and other policies and high-quality ***programs*** and services aimed at improving social capital for foster youth by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1478. Mr. BLUMENTHAL submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST REDUCING FUNDING FOR DISEASE PREVENTION EFFORTS. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would-- (1) result in a reduction or elimination of funding under section 4002 of the Patient Protection and Affordable Care Act (42 U.S.C 300u-11); (2) reduce the Federal resources provided to communities to invest in effective, proven prevention efforts; or (3) increase the prevalence of disease rates amongst children. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1479. Mr. BLUMENTHAL (for himself, Mr. Heinrich, Mr. Murphy, Mrs. Feinstein, and Mrs. Murray) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 52, line 10, insert ``by expanding access to State- run retirement ***plans*** for private sector workers'' before the semicolon. \_\_\_\_\_\_ SA 1480. Mr. YOUNG submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 52, line 14, strike ``or''. On page 52, line 15, strike the comma and insert ``; or''. On page 52, insert the following after line 15: (8) paying for successful outcomes in social ***programs***, [[Page S6674]] \_\_\_\_\_\_ SA 1481. Mr. YOUNG submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 52, between lines 15 and 16, insert the following: (8) increasing organ donation and improving the organ donation system, \_\_\_\_\_\_ SA 1482. Mr. YOUNG submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 52, between lines 15 and 16, insert the following: (8) addressing medical errors and patient safety, \_\_\_\_\_\_ SA 1483. Mr. WICKER submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end, add the following: TITLE V--VESSEL INCIDENTAL DISCHARGE ACT SEC. 5001. SHORT TITLE; TABLE OF CONTENTS. (a) Short Title.--This title may be cited as the ``Vessel Incidental Discharge Act''. (b) Table of Contents.--The table of contents for this title is as follows: TITLE V--VESSEL INCIDENTAL DISCHARGE ACT Sec. 5001. Short title; table of contents. Sec. 5002. Definitions. Sec. 5003. Treatment of existing ballast water regulations. Sec. 5004. Ballast water discharge requirements. Sec. 5005. Approval of ballast water management systems. Sec. 5006. Review and raising of ballast water discharge standard. Sec. 5007. National Ballast Information Clearinghouse. Sec. 5008. Requirements for discharges incidental to the normal operation of a commercial vessel. Sec. 5009. Best management practices for Great Lakes vessels. Sec. 5010. Judicial review. Sec. 5011. State enforcement. Sec. 5012. Effect on other laws. Sec. 5013. Quagga mussel. Sec. 5014. Coastal aquatic invasive species mitigation grant ***program*** and mitigation fund. Sec. 5015. Rules of construction. SEC. 5002. DEFINITIONS. In this title: (1) Administrator.--The term ``Administrator'' means the Administrator of the Environmental Protection Agency. (2) Aquatic nuisance species.--The term ``aquatic nuisance species'' means a nonindigenous species (including a pathogen, microbe, or virus) that threatens the diversity or abundance of native species or the ecological stability of waters of the United States, or commercial, ***agricultural***, aquacultural, or recreational activities dependent on such waters. (3) Ballast water.-- (A) In general.--The term ``ballast water'' means any water and suspended matter taken on board a commercial vessel-- (i) to control or maintain trim, draught, stability, or stresses of the commercial vessel, regardless of how such water and matter is carried; or (ii) during the cleaning, maintenance, or other operation of a ballast tank or ballast water management system of the commercial vessel. (B) Exclusions.--The term ``ballast water'' does not include any substance that is added to water described in subparagraph (A) that is directly related to the operation of a properly functioning ballast water management system. (4) Ballast water discharge standard.--The term ``ballast water discharge standard'' means-- (A) the numerical ballast water discharge standard set forth in section 151.2030 of title 33, Code of Federal Regulations, or section 151.1511 of such title (as in effect on the date of the enactment of this Act); or (B) if the standard described in subparagraph (A) has been revised under section 5006, such revised standard. (5) Ballast water management system.--The term ``ballast water management system'' means any system, including all ballast water treatment equipment and all associated control and monitoring equipment, that processes ballast water-- (A) to kill, render nonviable, or remove organisms; or (B) to avoid the uptake or discharge of organisms. (6) Best available technology economically achievable.--The term ``best available technology economically achievable'' has the meaning given that term in sections 301(b)(2)(A) and 304(b)(2)(B) of the Federal Water Pollution Control Act (33 U.S.C 1311(b)(2)(A) and 1314(b)(2)(B)) as such term applies to a mobile point source. (7) Biocide.--The term ``biocide'' means a substance or organism that is introduced into or ***produced*** by a ballast water management system to kill or eliminate aquatic nuisance species as part of the process used to comply with a ballast water discharge standard. (8) Captain of the port zone.--The term ``Captain of the Port Zone'' means a Captain of the Port Zone established by Secretary pursuant to sections 92, 93, and 633 of title 14, United States Code. (9) Commercial vessel.-- (A) In general.--The term ``commercial vessel'' means a vessel (as defined in section 3 of title 1, United States Code) that is engaged in commercial service (as defined in section 2101(5) of title 46, United States Code). (B) Exclusion.--The term ``commercial vessel'' does not include a recreational vessel. (10) Discharge incidental to the normal operation of a commercial vessel.-- (A) In general.--The term ``discharge incidental to the normal operation of a commercial vessel'' means-- (i) a discharge into navigable waters of the United States from a commercial vessel of-- (I)(aa) graywater, bilge water, cooling water, oil water separator effluent, anti-fouling hull coating leachate, boiler or economizer blowdown, byproducts from cathodic protection, controllable pitch propeller and thruster hydraulic fluid, distillation and reverse osmosis brine, elevator pit effluent, firemain system effluent, freshwater layup effluent, gas turbine wash water, motor gasoline and compensating effluent, refrigeration and air condensate effluent, seawater piping biofouling prevention substances, boat engine wet exhaust, sonar dome effluent, exhaust gas scrubber washwater, or stern tube packing gland effluent; or (bb) any other pollutant associated with the operation of a marine propulsion system, shipboard maneuvering system, habitability system, or installed major equipment, or from a protective, preservative, or absorptive application to the hull of a commercial vessel; (II) deck runoff, deck washdown, above the waterline hull cleaning effluent, aqueous film forming foam effluent, chain locker effluent, non-oily machinery wastewater, underwater ship husbandry effluent, welldeck effluent, or fish hold and fish hold cleaning effluent; or (III) any effluent from a properly functioning marine engine; or (ii) a discharge of a pollutant into navigable waters of the United States in connection with the testing, maintenance, or repair of a system, equipment, or engine described in subclause (I)(bb) or (III) of clause (i) whenever the commercial vessel is waterborne. (B) Exclusions.--The term ``discharge incidental to the normal operation of a commercial vessel'' does not include-- (i) any discharge into navigable waters of the United States from a commercial vessel of-- (I) ballast water; (II) rubbish, trash, garbage, incinerator ash, or other such material discharged overboard; (III) oil or a hazardous substance (as such terms are defined in section 311 of the Federal Water Pollution Control Act (33 U.S.C 1321)); or (IV) sewage (as defined in section 312(a)(6) of the Federal Water Pollution Control Act (33 U.S.C 1322(a)(6))); or (ii) any emission of an air pollutant resulting from the operation onboard a commercial vessel of a commercial vessel propulsion system, motor driven equipment, or incinerator; (iii) any discharge into navigable waters of the United States from a commercial vessel when the commercial vessel is operating in a capacity other than as a means of transportation on water; or (iv) any discharge that results from an activity other than the normal operation of a commercial vessel. (11) Empty ballast tank.--The term ``empty ballast tank'' means a tank-- (A) intended to hold ballast water that has been drained to the limit of the functional or operational capabilities of such tank, such as loss of suction, and otherwise recorded as empty on a vessel log; and (B) that contains unpumpable residual ballast water and sediments. (12) Exchange.--The term ``exchange'' means, with respect to ballast water, to replace the water in a ballast water tank using one of the following methods: (A) Flow-through exchange, in which ballast water is flushed out by pumping in mid-ocean water at the bottom of the tank and continuously overflowing the tank from the top until three full volumes of water has been changed to minimize the number of original organisms remaining in the tank. (B) Empty and refill exchange, in which ballast water taken on in ports, estuarine waters, or territorial waters is pumped out until the pump loses suction, after which the [[Page S6675]] ballast tank is refilled with mid-ocean water. (13) General permit.--The term ``General Permit'' means the Final National Pollutant Discharge Elimination System Vessel General Permit for Discharges Incidental to the Normal Operation of a Vessel noticed in the Federal Register on April 12, 2013 (78 Fed. Reg. 21938). (14) Great lakes states.--The term ``Great Lakes States'' means Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin. (15) Indian tribe.--The term ``Indian tribe'' has the meaning given that term in section 4(e) of the Indian Self- Determination and Education Assistance Act (25 U.S.C 5304(e)). (16) Major conversion.--The term ``major conversion'' has the meaning given that term in section 2101(14a) of title 46, United States Code. (17) Marine pollution control device.--The term ``marine pollution control device'' means any equipment for installation or use on board a commercial vessel that is-- (A) designed to receive, retain, treat, control, or discharge a discharge incidental to the normal operation of a commercial vessel; and (B) determined by the Secretary, in consultation with the Administrator, to be the most effective equipment or management practice to reduce the environmental impact of the discharge consistent with the considerations set forth in section 5008(a)(2). (18) Mid-ocean water.--The term ``mid-ocean water'' means water greater than 200 nautical miles from any shore. (19) Navigable waters of the united states.--The term ``navigable waters of the United States'' has the meaning given that term in section 2101(17a) of title 46, United States Code. (20) Organism.--The term ``organism'' means any organism and includes pathogens, microbes, viruses, bacteria, and fungi. (21) Owner or operator.--The term ``owner or operator'' means a person owning, operating, or chartering by demise a commercial vessel. (22) Pacific coast region.--The term ``Pacific Coast Region'' means Federal and State waters adjacent to Alaska, Washington, Oregon, or California extending from shore and including the entire exclusive economic zone (as defined in section 1001(8) of the Oil Pollution Act of 1990 (33 U.S.C 2701(8)) adjacent to each such State. (23) Pollutant.--The term ``pollutant'' has the meaning given that term in section 502(6) of the Federal Water Pollution Control Act (33 U.S.C 1362(6)). (24) Port or place of destination.--The term ``port or place of destination'' means any port or place to which a vessel is bound to anchor or moor. (25) Recreational vessel.--The term ``recreational vessel'' has the meaning given that term in section 2101(25) of title 46, United States Code. (26) Render nonviable.--The term ``render nonviable'' means, with respect to organisms in ballast water, the action of a ballast water management system that leaves such organisms permanently incapable of reproduction following treatment. (27) Saltwater flush.--The term ``saltwater flush''-- (A) means-- (i) the addition of as much mid-ocean water into each empty ballast tank of a commercial vessel as is safe for such vessel and crew and the mixing of the flushwater with residual water and sediment through the motion of such vessel; and (ii) the discharge of the mixed water, such that the resultant residual water remaining in the tank has the highest salinity possible, and is at least 30 parts per thousand; and (B) may require more than one fill-mix-empty sequence, particularly if only small amounts of water can be safely taken onboard the commercial vessel at one time. (28) Secretary.--Except as otherwise specified, the term ``Secretary'' means the Secretary of the department in which the Coast Guard is operating. SEC. 5003. TREATMENT OF EXISTING BALLAST WATER REGULATIONS. (a) Effect on Existing Regulations.--Any regulation issued pursuant to the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4701 et seq.) that is in effect on the day before the date of the enactment of this Act, and that relates to a matter subject to regulation under this title, shall remain in full force and effect unless or until superseded by a new regulation issued under this title relating to such matter. (b) Application of Other Regulations.-- (1) In general.--The regulations issued pursuant to the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4701 et seq.) relating to sanctions for violating a regulation under that Act shall apply to violations of a regulation issued under this title. (2) Penalties.--The penalties for violations described in paragraph (1) shall increase consistent with inflation. SEC. 5004. BALLAST WATER DISCHARGE REQUIREMENTS. (a) In General.-- (1) Requirements.--Except as provided in paragraph (7), and subject to sections 151.2035 and 151.2036 of title 33, Code of Federal Regulations (as in effect on the date of the enactment of this Act), an owner or operator may discharge ballast water into navigable waters of the United States from a commercial vessel covered under subsection (b) only if-- (A) by applying the best available technology economically achievable, the discharge meets the ballast water discharge standard; and (B) the owner or operator discharges the ballast water in accordance with other requirements established by the Secretary. (2) Commercial vessels entering the great lakes system.--If a commercial vessel enters the Great Lakes through the mouth of the Saint Lawrence River, the owner or operator shall-- (A) comply with the applicable requirements of-- (i) paragraph (1); (ii) subpart C of part 151 of title 33, Code of Federal Regulations (or similar successor regulations); and (iii) section 401.30 of such title (or similar successor regulations); and (B) after operating-- (i) outside the exclusive economic zone of the United States or Canada, conduct a complete ballast water exchange in an area that is 200 nautical miles or more from any shore before the owner or operator may discharge ballast water while operating in the Saint Lawrence River or the Great Lakes, subject to any requirements the Secretary determines necessary with regard to such exchange or any ballast water management system that is to be used in conjunction with such exchange, to ensure that any discharge of ballast water complies with the requirements under paragraph (1); or (ii) exclusively within the territorial waters or exclusive economic zone of the United States or Canada, conduct a complete ballast water exchange outside the St. Lawrence River and the Great Lakes in an area that is 50 nautical miles or more from any shore before the owner or operator may discharge ballast water while operating in the Saint Lawrence River or the Great Lakes, subject to any requirements the Secretary determines necessary with regard to such exchange or any ballast water management system that is to be used in conjunction with such exchange, to ensure that any discharge of ballast water complies with the requirements under paragraph (1). (3) Commercial vessels operating within the pacific coast region.-- (A) In general.--Except as provided in subparagraph (C) and paragraph (6), the owner or operator of a commercial vessel described in subparagraph (B) shall conduct a complete ballast water exchange in waters more than 50 nautical miles from shore. (B) Commercial vessel described.--A commercial vessel described in this subparagraph is a commercial vessel-- (i) operating between two ports or places of destination within the Pacific Coast Region; or (ii) operating between a port or place of destination within the Pacific Coast Region and a port or place of destination on the Pacific Coast of Canada or Mexico north of 20 degrees north latitude, inclusive of the Gulf of California. (C) Exemptions.--Subparagraph (A) shall not apply to the following: (i) A commercial vessel voyaging between or to a port or place of destination in the State of Washington, if the ballast water to be discharged from such vessel originated solely from waters located between the parallel 43 degrees, 32 minutes north latitude, including the internal waters of the Columbia River, and the internal waters of Canada south of parallel 50 degrees north latitude, including the waters of the Strait of Georgia and the Strait of Juan de Fuca. (ii) A commercial vessel voyaging between ports or places of destination in the States of Washington and Oregon if the ballast water to be discharged from such vessel originated solely from waters located between the parallel 40 degrees north latitude and the parallel 50 degrees north latitude. (iii) A commercial vessel voyaging between ports or places of destination in the State of California within the San Francisco Bay area east of the Golden Gate Bridge, including the Port of Stockton and the Port of Sacramento, if any ballast water to be discharged from such vessel originated solely from ports or places within such area. (iv) A commercial vessel voyaging between the Port of Los Angeles, the Port of Long Beach, and the El Segundo offshore marine oil terminal if any ballast water to be discharged from such vessel originated solely from the Port of Los Angeles, the Port of Long Beach, or the El Segundo offshore marine oil terminal. (v) A commercial vessel voyaging between a port or place in the State of Alaska within a single Captain of the Port Zone. (4) Empty ballast tanks.-- (A) Requirements.--Except as provided in subparagraph (B) and paragraph (6), the owner or operator of a commercial vessel with empty ballast tanks shall conduct a saltwater flush-- (i) at least 200 nautical miles from any shore for voyages originating outside the United States or Canadian exclusive economic zone; or (ii) at least 50 nautical miles from any shore for voyages within the Pacific Coast Region. (B) Exception.--The requirements of subparagraph (A) shall not apply-- [[Page S6676]] (i) if a ballast tank's unpumpable residual waters and sediments were subject to a saltwater flush, ballast water exchange, or treatment through a ballast water management system; or (ii) unless otherwise required under this title, if the ballast tank's unpumpable residual waters and sediments were sourced within the same port or place of destination, or Captain of the Port Zone. (5) Low salinity ballast water.-- (A) In general.--Except as provided in subparagraph (B) and paragraph (6), owners or operators of commercial vessels that voyage to a Pacific Coast Region port or place of destination that has a measured salinity of less than 18 parts per thousand shall conduct a complete ballast water exchange-- (i) more than 50 nautical miles from shore if the ballast water was sourced from a Pacific Coast Region port or place of destination; or (ii) more than 200 nautical miles from shore if the ballast water was not sourced from a Pacific Coast Region port or place of destination. (B) Exception.--The requirements of subparagraph (A) shall not apply to a commercial vessel that has a ballast water management system approved for treating freshwater at concentrations prescribed in section 5006(a)(1)(A) or that retains all of its ballast water. (6) Exempted vessels.--The requirements of paragraphs (3), (4), and (5) shall not apply to a commercial vessel if-- (A) complying with such requirements would compromise the safety of the commercial vessel; (B) design limitations of the commercial vessel prevent ballast water exchange or saltwater flush from being conducted; (C) the commercial vessel uses a method of ballast water management approved by the Coast Guard under section 5005 of this title or subpart 162.060 of title 46, Code of Federal Regulations (or similar successor regulation); (D) the commercial vessel is certified by the Secretary as having no residual ballast water or sediments on board or retains all its ballast water while in waters subject to such requirements; or (E) empty ballast tanks on the commercial vessel are sealed and certified by the Secretary so there is no discharge or uptake and subsequent discharge of ballast waters subject to such requirements. (7) Safety exemption.--Notwithstanding paragraphs (1) through (6), an owner or operator of a commercial vessel may discharge ballast water into navigable waters of the United States from a commercial vessel if-- (A) the ballast water is discharged solely to ensure the safety of life at sea; (B) the ballast water is discharged accidentally as the result of damage to the commercial vessel or its equipment and-- (i) all reasonable precautions to prevent or minimize the discharge have been taken; and (ii) the owner or operator did not willfully or recklessly cause such damage; or (C) the ballast water is discharged solely for the purpose of avoiding or minimizing a discharge from the commercial vessel of a pollutant that would violate a Federal or State law. (8) Logbook requirements.--Section 11301(b) of title 46, United States Code, is amended by adding at the end the following new paragraph: ``(13) when the commercial vessel does not carry out ballast water management requirements as applicable and pursuant to regulations promulgated and issued by the Secretary, including when a vessel fails to carry out ballast water management requirements due to an allowed safety exemption, a statement about the failure to comply and the circumstances under which the failure occurred, made immediately after when practicable to do so.''. (9) Limitation of requirements.--In establishing requirements under this subsection, the Secretary may not require the installation of a ballast water management system on a commercial vessel that-- (A) carries all of its ballast water in sealed tanks that-- (i) are not subject to discharge; (ii) have been certified by the Secretary; and (iii) have been noted in the commercial vessel logbook; or (B) discharges ballast water solely into a reception facility described in subsection (d). (b) Applicability.-- (1) Covered vessels.--Except as provided in paragraphs (2) and (3), subsection (a) shall apply to any commercial vessel that is designed, constructed, or adapted to carry ballast water while such commercial vessel is operating in navigable waters of the United States. (2) Exempted vessels.--Subsection (a) shall not apply to a commercial vessel-- (A) that continuously takes on and discharges ballast water in a flow-through system, if such system does not introduce aquatic nuisance species into navigable waters of the United States, as determined by the Secretary; (B) in the National Defense Reserve Fleet that is scheduled for disposal, if the vessel does not have ballast water management systems or the ballast water management systems of the vessel are inoperable; (C) that discharges ballast water consisting solely of water taken aboard from a public or commercial source that, at the time the water is taken aboard, meets the applicable regulations or permit requirements for such source under the Safe Drinking Water Act (42 U.S.C 300f et seq.); (D) in an alternative compliance ***program*** established pursuant to subsection (c); (E) that carries all of its permanent ballast water in sealed tanks that are not subject to discharge; or (F) uses other liquid or material as ballast and does not discharge ballast overboard. (3) Exemption for great lakes and saint lawrence river.-- (A) In general.--Subject to subparagraphs (B) through (F), subsection (a) shall not apply to a commercial vessel that operates exclusively within the Great Lakes and Saint Lawrence River and is not required to comply with the ballast water discharge standard on the day before the date of the enactment of this Act. (B) Termination of exemption.--The Secretary shall terminate the exemption for a class of commercial vessels described in subparagraph (A) if the Secretary-- (i) based on testing using water from the Great Lakes, approves a ballast water management system for such class of vessels under section 5005 of this title or subpart 162.060 of title 46, Code of Federal Regulations (or similar successor regulation); (ii) determines that such ballast water management system meets the practicability criteria described in section 5006(b)(2) with respect to such class of vessels complying with the ballast water discharge standard; (iii) determines that requiring such class of vessels to comply with the ballast water discharge standard is operationally practicable for such class of vessels; and (iv) in consultation with the Administrator, determines that the most probable environmental benefits, as described in subparagraph (E), resulting from a requirement that such class of vessels comply with the ballast water discharge standard exceed the most probable economic costs, as described in subparagraph (F), resulting from such compliance. (C) Timing of determinations.-- (i) In general.--Not later than one year after the approval and determinations described in clauses (i), (ii), and (iii) of subparagraph (B) are made, the Secretary, in consultation with the Administrator, shall determine whether the benefits described in clause (iv) of such subparagraph exceed the costs described in such clause (iv). (ii) Reconsideration.--If the benefits described in subparagraph (B)(iv) do not exceed the costs described in such subparagraph for a class of commercial vessels described in subparagraph (A), the Secretary, in consultation with the Administrator, shall reconsider the determination of the Secretary under clause (i)-- (I) if a petition is received from a Governor of a Great Lakes State that-- (aa) includes new data or science not considered during such determination; and (bb) is submitted not less than one year after such determination; or (II) not later than five years after such determination. (D) Compliance deadline.--A class of commercial vessels for which the exemption under subparagraph (A) has been terminated under subparagraph (B) shall comply with the ballast water discharge standard after completion of the first scheduled dry docking of each such vessel that commences on or after the date that is three years after the date that the Secretary informs the owner or operator of such vessel of such termination. (E) Most probable environmental benefits described.--The most probable environmental benefits resulting from a requirement that a class of commercial vessels described in subparagraph (A) comply with the ballast water discharge standard are the net environmental benefits, as determined by the Administrator-- (i) gained from the most probable reduction in risk of establishment of aquatic nuisance species in navigable waters of the United States within the Great Lakes and Saint Lawrence River resulting from compliance with subsection (a) by such class of vessels; and (ii) as reduced by the extent to which such environmental benefits most probably would not be achieved as a result of the most probable risks of such establishment from other vectors. (F) Most probable economic costs described.--The most probable economic costs resulting from a requirement that a class of commercial vessels described in subparagraph (A) comply with the ballast water discharge standard are the net costs and foregone revenues resulting from such compliance that most probably will be incurred, as determined by the Secretary, by the-- (i) owners and operators of such class of vessels, including the costs of installation and maintenance of ballast water management systems not passed on to customers and reductions in business activity due to lifetime reduction in cargo capacity and customer demand for cargo transportation services; (ii) customers of such class of vessels, including reductions in business activity, shifts to other transportation modes, and loss of competitiveness as a result of the costs described in clause (i) passed on to such customers; and (iii) employees of such owners, operators, and customers, including reductions or foregone increases in jobs, wages, and benefits resulting from costs described in clauses (i) and (ii). [[Page S6677]] (c) Alternative Compliance ***Program***.--The Secretary, in consultation with the Administrator and the Governors of the States, may issue a rule establishing one or more compliance ***programs*** that may be used by an owner or operator as an alternative to compliance with the requirements of subsection (a) for a commercial vessel that-- (1) has a maximum ballast water capacity of less than eight cubic meters; or (2) is less than 3 years from the end of the service life of the commercial vessel, as determined by the Secretary. (d) Reception Facilities.-- (1) In general.--Notwithstanding the requirements under subsection (a), an owner or operator may discharge ballast water into an onshore or offshore facility for the reception of ballast water that meets the standards established by the Administrator, in consultation with the Secretary, under paragraph (2). (2) Issuance of standards.--Not later than one year after the date of the enactment of this Act, the Administrator, in consultation with the Secretary, shall publish a rule in the Federal Register that establishes reasonable and practicable standards for reception facilities to receive vessel ballast water to mitigate adverse effects of aquatic nuisance species on navigable waters of the United States. (3) Transfer standards.--The Secretary, in coordination with the Administrator, may promulgate standards for the arrangements necessary on a vessel to transfer ballast water to a facility. SEC. 5005. APPROVAL OF BALLAST WATER MANAGEMENT SYSTEMS. (a) Ballast Water Management Systems That Render Organisms Nonviable.--Notwithstanding chapter 5 of title 5, United States Code, part 151 of title 33, Code of Federal Regulations (or similar successor regulation), and part 162 of title 46, Code of Federal Regulations (or similar successor regulation), a ballast water management system that renders nonviable organisms in ballast water at the concentrations prescribed in the ballast water discharge standard shall be approved by the Secretary, if-- (1) such system-- (A) undergoes type approval testing at an independent laboratory designated by the Secretary under such regulations; and (B) meets the requirements of subpart 162.060 of title 46, Code of Federal Regulations (or similar successor regulation), other than the requirements related to staining methods or measuring the concentration of living organisms; and (2) such laboratory uses a testing method described in a final policy letter published under subsection (c)(3). (b) Prohibition on Biocides.--The Secretary shall not approve a ballast water management system under subsection (a) or subpart 162.060 of title 46, Code of Federal Regulations (or similar successor regulations), if such system-- (1) uses a biocide or generates a biocide that is a pesticide, as defined in section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C 136), unless the biocide is registered under that Act or the Administrator has approved the use of the biocide in such ballast water management system; or (2) uses or generates a biocide the discharge of which causes or contributes to a violation of a water quality standard under section 303 of the Federal Water Pollution Control Act (33 U.S.C 1313). (c) Approval Testing Methods.-- (1) Draft policy.--Not later than 60 days after the date of the enactment of this Act, the Secretary, in coordination with the Administrator, shall publish a draft policy letter, based on the best available science, describing type approval testing methods and protocols for ballast water management systems that may be used in addition to the methods established in subpart 162.060 of title 46, Code of Federal Regulations (or similar successor regulation)-- (A) to measure the concentration of organisms in ballast water that are capable of reproduction; (B) to certify the performance of each ballast water management system under this section; and (C) to certify laboratories to evaluate such treatment technologies. (2) Public comment.--The Secretary shall provide for a period of not more than 60 days for the public to comment on the draft policy letter published under paragraph (1). (3) Final policy.-- (A) In general.--Not later than 150 days after the date of the enactment of this Act, the Secretary, in coordination with the Administrator, shall publish a final policy letter describing type approval testing methods for ballast water management systems capable of measuring the concentration of organisms in ballast water that are capable of reproduction based on the best available science that may be used in addition to the methods established in subpart 162.060 of title 46, Code of Federal Regulations (or similar successor regulation). (B) Revisions.--The Secretary shall revise the final policy letter published under subparagraph (A) as additional testing methods are determined by the Secretary, in coordination with the Administrator, to be capable of measuring the concentration of organisms in ballast water that are capable of reproduction. (C) Considerations.--In developing a policy letter under this paragraph, the Secretary, in coordination with the Administrator-- (i) shall consider a testing method that uses organism grow out and most probable number statistical analysis to determine the concentration of organisms in ballast water that are capable of reproduction; and (ii) shall not consider a testing method that relies on a staining method that measures the concentration of organisms greater than or equal to 10 micrometers and organisms less than or equal to 50 micrometers. SEC. 5006. REVIEW AND RAISING OF BALLAST WATER DISCHARGE STANDARD. (a) Effectiveness Reviews.-- (1) Six-year review.-- (A) In general.--Not later than January 1, 2024, and subject to petitions for review under paragraph (3), the Administrator, in consultation with the Secretary, shall complete an effectiveness review to determine whether, based on the application of the best available technology economically achievable, the ballast water discharge standard can be revised such that ballast water discharged in the normal operation of a vessel contains-- (i) less than 1 organism that is living or has not been rendered nonviable per 10 cubic meters that is 50 or more micrometers in minimum dimension; (ii) less than 1 organism that is living or has not been rendered nonviable per 10 milliliters that is less than 50 micrometers in minimum dimension and more than 10 micrometers in minimum dimension; (iii) concentrations of indicator microbes that are less than-- (I) 1 colony-forming unit of toxicogenic Vibrio cholera (serotypes O1 and O139) per 100 milliliters or less than 1 colony-forming unit of that microbe per gram of wet weight of zoological samples; (II) 126 colony-forming units of escherichia coli per 100 milliliters; and (III) 33 colony-forming units of intestinal enterococci per 100 milliliters; and (iv) concentrations of such additional indicator microbes and of viruses as may be specified in regulations issued by the Secretary, in consultation with the Administrator and such other Federal agencies as the Secretary and the Administrator consider appropriate. (B) Alternative revised standard.--If the Administrator finds-- (i) that the ballast water discharge standard cannot be revised to reflect the level of stringency set forth in subparagraph (A), the Administrator shall determine whether the application of the best available technology economically achievable would result in a reduction of the risk of introduction or establishment of aquatic nuisance species such that the ballast water discharge standard can be revised be more stringent than the standard set forth in section 151.2030 or 151.1511 of title 33, Code of Federal Regulations, as in effect on the date of the enactment of this Act; or (ii) that the best available technology economically achievable is more stringent than the standard under subparagraph (A) with respect to a class of vessels, the Administrator shall determine whether the ballast water discharge standard can be revised for that class of vessels to incorporate such more stringent standard. (2) Ten-year reviews.--Not later than January 1, 2034, not less frequently than every 10 years thereafter, and subject to petitions for review under paragraph (3), the Administrator shall conduct an effectiveness review to determine whether the application of the best available technology economically achievable results in a reduction in the risk of the introduction or establishment of aquatic nuisance species such that the ballast water discharge standard can be revised. (3) State petitions for review.-- (A) In general.--The Governor of a State may submit a petition requesting the Administrator to conduct a review under paragraph (1) or (2) if there is new information that could reasonably indicate the ballast water discharge standard could be made more stringent to reduce the risk of the introduction or establishment of aquatic nuisance species. (B) Timing.--A Governor may not submit a petition under subparagraph (A) during the 1-year period following the date of completion of a review under paragraph (1) or (2). (C) Required information.--A petition submitted to the Administrator under subparagraph (A) shall include-- (i) a proposed ballast water discharge standard that would result in a reduction in the risk of the introduction or establishment of aquatic nuisance species; (ii) information regarding any ballast water management systems that may achieve the proposed ballast water discharge standard; (iii) the scientific and technical information on which the petition is based, including a description of the risk reduction that would result from the proposed ballast water discharge standard included under clause (i); and (iv) any additional information the Administrator considers appropriate. (D) Public availability.--Upon receiving a petition under subparagraph (A), the Administrator shall make publicly available a copy of the petition, including the information included under subparagraph (C). (E) Treatment of more than one petition as a single petition.--The Administrator may treat more than one petition submitted under subparagraph (A) as a single such petition. [[Page S6678]] (F) Authority to review.--After receiving a petition that meets the requirements of this paragraph, the Administrator, in consultation with the Secretary, may conduct a review under paragraph (1) or (2) or such other review as the Administrator, in consultation with the Secretary, determines appropriate. (4) Agency action.--In any review under this subsection in which the Administrator determines-- (A) that the ballast water discharge standard can be made more stringent, the Administrator shall-- (i) promptly publish such determination in the Federal Register and on a publically available website; and (ii) inform the Secretary of such determination; or (B) that the ballast water discharge standard cannot be made more stringent, the Administrator shall-- (i) promptly publish such determination, together with a detailed, written justification, in the Federal Register and on a publically available website; and (ii) provide a copy of the documents required under clause (i) to any State that has petitioned the Administrator for the review. (b) Practicability Review.-- (1) In general.--If the Administrator determines under subsection (a) that the ballast water discharge standard can be made more stringent, the Secretary, in consultation with the Administrator, shall conduct a practicability review, considering the findings under such subsection, to determine whether-- (A) a ballast water management system that is capable of achieving the ballast water discharge standard as proposed to be revised is operationally practicable; and (B) testing protocols can be practicably implemented that can assure accurate measurement of compliance with the ballast water discharge standard as proposed to be revised. (2) Criteria for practicability review.--In conducting a practicability review under paragraph (1), the Secretary and the Administrator shall consider-- (A) improvements in ballast water management systems, including-- (i) the effectiveness and reliability of such systems in the shipboard environment; (ii) the compatibility of such systems with the design and operation of a commercial vessel by class, type, and size; (iii) the commercial availability of such systems; and (iv) the safety of such systems; (B) improvements in the capabilities to detect, quantify, and assess whether aquatic nuisance species are capable of reproduction in order to determine compliance with the ballast water discharge standard as proposed to be revised; (C) the costs, cost-effectiveness, and effects of-- (i) a revised ballast water discharge standard; and (ii) maintaining the existing ballast water discharge standard; and (D) other criteria that the Secretary and the Administrator consider appropriate. (3) Information from states.--In conducting a practicability review under paragraph (1), the Secretary shall solicit information from the States concerning matters the Secretary and the Administrator are required to consider under paragraph (2). (c) Issuance of Revised Ballast Water Discharge Standard.-- (1) In general.--The Secretary shall issue a rule to revise the ballast water discharge standard if the Secretary, in consultation with the Administrator, determines on the basis of the practicability review under subsection (b) that-- (A) a ballast water management system that is capable of achieving the ballast water discharge standard as proposed to be revised is the best available technology, economically achievable, and operationally practicable; and (B) testing protocols can be practicably implemented that can assure accurate measurement of compliance with the ballast water discharge standard as proposed to be revised. (2) Standard not revised.--If the Secretary, in consultation with the Administrator, determines that the requirements of paragraph (1) have not been satisfied, the Secretary shall publish a description of how such determination was made. (3) Requirement.--Any modified ballast water discharge standard issued in the rule under paragraph (1) shall be more stringent than the ballast water discharge standard it replaces. (d) Revised Ballast Water Discharge Standard Effective Date and Compliance Deadline.-- (1) In general.--If the Secretary issues a rule to revise the ballast water discharge standard under subsection (c), the Secretary shall include in such rule-- (A) an effective date for the revised ballast discharge standard that is 3 years after the date on which such rule is published in the Federal Register; and (B) for the owner or operator of a commercial vessel that is constructed or completes a major conversion on or after the date that is 3 years after the date on which such rule is published in the Federal Register, a deadline to comply with the revised ballast water discharge standard that is the first day on which such commercial vessel operates in navigable waters of the United States. (2) Vessel specific compliance deadlines.--The Secretary may establish a deadline for compliance by a commercial vessel (or a class, type, or size of commercial vessel) with a revised ballast water discharge standard that is different than the general deadline established under paragraph (1). (3) Extensions.--The Secretary shall establish a process for an owner or operator to submit an application to the Secretary for an extension of a compliance deadline established under paragraphs (1) and (2). (4) Application for extension.--An owner or operator shall submit an application for an extension under paragraph (3) not less than 90 days prior to the applicable compliance deadline established under paragraph (1) or (2). (5) Factors.--In reviewing an application under this subsection, the Secretary shall consider, with respect to the ability of an owner or operator to meet a compliance deadline-- (A) whether the ballast water management system to be installed, if applicable, is available in sufficient quantities to meet the compliance deadline; (B) whether there is sufficient shipyard or other installation facility capacity; (C) whether there is sufficient availability of engineering and design resources; (D) commercial vessel characteristics, such as engine room size, layout, or a lack of installed piping; (E) electric power generating capacity aboard the commercial vessel; (F) the safety of the commercial vessel and crew; and (G) any other factor that the Secretary determines appropriate. (6) Consideration of petitions.-- (A) Determinations.--The Secretary shall approve or deny an application for an extension of a compliance deadline submitted by an owner or operator under this subsection. (B) Deadline.--The Secretary shall-- (i) acknowledge receipt of an application for an extension submitted under paragraph (4) not later than 30 days after the date of receipt of the application; and (ii) to the extent practicable, approve or deny such an application not later than 90 days after the date of receipt of the application. (C) Failure to review.--If the Secretary does not approve or deny an application described in subparagraph (A) on or before the last day of the 90-day period beginning on the date of submission of the petition, the petition shall be conditionally approved. (7) Period of extensions.--An extension granted to an owner or operator under paragraph (3)-- (A) may be granted for an initial period of not more than 18 months; (B) may be renewed for additional periods of not more than 18 months each; and (C) may not be in effect for a total of more than 5 years. (8) Period of use of installed ballast water management system.-- (A) In general.--Subject to subparagraph (B), an owner or operator shall be considered to be in compliance with the ballast water discharge standard if-- (i) the ballast water management system installed on the commercial vessel complies with the ballast water discharge standard in effect at the time of installation, notwithstanding any revisions to the ballast water discharge standard occurring after the installation; (ii) the ballast water management system is maintained in proper working condition, as determined by the Secretary; (iii) the ballast water management system is maintained and used in accordance with the manufacturer's specifications; and (iv) the ballast water management system continues to meet the ballast water discharge standard applicable to the commercial vessel at the time of installation, as determined by the Secretary. (B) Limitation.--Subparagraph (A) shall cease to apply with respect to a commercial vessel after-- (i) the expiration of the service life of the ballast water management system of the commercial vessel, as determined by the Secretary; (ii) the expiration of the service life of the commercial vessel, as determined by the Secretary; or (iii) the completion of a major conversion of the commercial vessel. SEC. 5007. NATIONAL BALLAST INFORMATION CLEARINGHOUSE. Subsection (f) of section 1102 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4712(f)) is amended to read as follows: ``(f) National Ballast Information Clearinghouse.-- ``(1) In general.--The Secretary shall develop and maintain, in consultation and cooperation with the Task Force and the Smithsonian Institution (acting through the Smithsonian Environmental Research Center), a National Ballast Information Clearinghouse of national data concerning-- ``(A) ballasting practices; ``(B) compliance with the guidelines issued pursuant to section 1101(c); and ``(C) any other information obtained by the Task Force pursuant to subsection (b). ``(2) Ballast water reporting requirements.-- ``(A) In general.--The owner or operator of a commercial vessel subject to this Act shall submit the current ballast water management report form approved by the Office [[Page S6679]] of Management and Budget (OMB 1625-0069 or subsequent form) to the National Ballast Information Clearinghouse not later than 6 hours after the arrival of such vessel at a United States port or place, unless such vessel is operating exclusively on a voyage between ports or places within a single Captain of the Port Zone (as established by the Secretary pursuant to sections 92, 93, and 633 of title 14, United States Code). ``(B) Multiple discharges within a single port.--The owner or operator of a commercial vessel subject to this Act may submit a single report under subparagraph (A) for multiple ballast water discharges within a single port during the same voyage. ``(C) Advanced report to states.--A State may require the owner or operator of a commercial vessel subject to this Act to submit directly to the State a ballast water management report form-- ``(i) not later than 24 hours prior to arrival at a United States' port or place of destination if the voyage of such vessel is anticipated to exceed 24 hours; or ``(ii) before departing the port or place of departure if the voyage of such vessel is not anticipated to exceed 24 hours. ``(3) Commercial vessel reporting data.-- ``(A) Dissemination to states.--Upon receiving submission of a ballast water management report required under paragraph (2), the National Ballast Information Clearinghouse shall-- ``(i) in the case of forms submitted electronically, immediately disseminate the report to interested States; or ``(ii) in the case of forms submitted by means other than electronically, disseminate the report to interested States as soon as practicable. ``(B) Availability to the public.--Not later than 30 days after the date of the receipt of a ballast water management report required under paragraph (2), the National Ballast Information Clearinghouse shall make the data in such report fully and readily available to the public in searchable and fully retrievable electronic formats. ``(4) Report.--In consultation and cooperation with the Task Force and the Smithsonian Institution (acting through the Smithsonian Environmental Research Center), the Secretary shall prepare and submit to the Task Force and the appropriate committees of Congress and make available to the public, on a biennial basis not later than 180 days from the end of each odd numbered calendar year, a report that synthesizes and analyzes the data referred to in paragraph (1) for the previous two years to evaluate nationwide status and trends relating to-- ``(A) ballast water delivery and management; and ``(B) invasions of aquatic nuisance species resulting from ballast water. ``(5) Working group.--Not later than one year after the date of the enactment of the Vessel Incidental Discharge Act, the Secretary shall establish a working group that includes members from the National Ballast Information Clearinghouse and States with ballast water management ***programs*** to establish a process for compiling and readily sharing Federal and State commercial vessel reporting and enforcement data regarding compliance with this Act. ``(6) Appropriate committees of congress defined.--In this subsection, the term `appropriate committees of Congress' means the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.''. SEC. 5008. REQUIREMENTS FOR DISCHARGES INCIDENTAL TO THE NORMAL OPERATION OF A COMMERCIAL VESSEL. (a) Management of Incidental Discharge for Commercial Vessels.-- (1) In general.--Not later than two years after the date of the enactment of this Act, the Secretary, in concurrence with the Administrator and in consultation with the States, shall publish a final rule in the Federal Register that establishes best management practices for discharges incidental to the normal operation of a commercial vessel for commercial vessels that-- (A) are greater than or equal to 79 feet in length; (B) are not fishing vessels, including fish processing vessels and fish tender vessels (as such terms are defined in section 2101 of title 46, United States Code); and (C) are not subject to the best management practices required under section 5009. (2) Elements.--The best management practices established under paragraph (1) shall-- (A) mitigate the adverse impacts on the marine environment from discharges incidental to the normal operation of a commercial vessel and aquatic invasive species; (B) use marine pollution control devices when appropriate; (C) be economically achievable and operationally practicable; and (D) not compromise the safety of a commercial vessel. (3) Implementation.--The Secretary shall implement the best management practices established by final rule under paragraph (1) not later than 60 days after the date on which the final rule is published in the Federal Register as required under such paragraph. (b) Transition.-- (1) In general.--Except as provided in section 5009(c) and notwithstanding the expiration date for the General Permit, any practice, limitation, or concentration applicable to any discharge incidental to the normal operation of a commercial vessel that is required by the General Permit on the date of the enactment of this Act, and any reporting requirement required by the General Permit on such date of enactment, shall remain in effect until the implementation date under subsection (a)(3). (2) Part 6 conditions.--Except as provided in section 5009(c) and notwithstanding paragraph (1) and any other provision of law, the terms and conditions of Part 6 of the General Permit (relating to specific requirements for individual States or Indian country lands) shall expire on the implementation date under subsection (a)(3). (c) Application to Certain Vessels.-- (1) Application of federal water pollution control act.--No permit shall be required under section 402 of the Federal Water Pollution Control Act (33 U.S.C 1342) or prohibition enforced under any other provision of law for, nor shall any best management practice regarding a discharge incidental to the normal operation of a commercial vessel under this title apply to, a discharge incidental to the normal operation of a commercial vessel if the commercial vessel-- (A) is less than 79 feet in length; or (B) is a fishing vessel, including a fish processing vessel or fish tender vessel (as such terms are defined in section 2101 of title 46, United States Code). (2) Application of general permit.--The terms and conditions of the General Permit shall cease to apply to vessels described in subparagraphs (A), (B), and (C) of paragraph (1) on and after the date of the enactment of this Act. (d) Review and Revision.--The Secretary, in concurrence with the Administrator and in consultation with the States, shall-- (1) review the practices and standards established under subsection (a) not less frequently than once every ten years; and (2) revise such practices consistent with the elements described in paragraph (2) of such subsection. (e) State Petition for Revision of Best Management Practices.-- (1) In general.--The Governor of a State may submit a petition to the Secretary requesting that the Secretary, in concurrence with the Administrator, revise a best management practice established under subsection (a) if there is new information that could reasonably indicate that-- (A) revising the best management practice would-- (i) mitigate the adverse impacts on the marine environment from discharges incidental to the normal operation of a commercial vessel or from aquatic invasive species; and (ii) reduce the adverse effects on navigable waters of the United States of discharges incidental to the normal operation of a commercial vessel; and (B) the revised best management practice would be economically achievable and operationally practicable. (2) Required information.--A petition submitted to the Secretary under paragraph (1) shall include-- (A) the scientific and technical information on which the petition is based; and (B) any additional information the Secretary and Administrator consider appropriate. (3) Public availability.--Upon receiving a petition under paragraph (1), the Secretary shall make publicly available a copy of the petition, including the information included under paragraph (2). (4) Treatment of more than one petition as a single petition.--The Secretary may treat more than one petition submitted under paragraph (1) as a single petition. (5) Revision of best management practices.--If, after reviewing a petition submitted by a Governor under paragraph (1), the Secretary, in concurrence with the Administrator, determines that revising a best management practice would mitigate the adverse impacts on the marine environment from discharges incidental to the normal operation of a commercial vessel or from aquatic invasive species, the Secretary, in concurrence with the Administrator and in consultation with the States, shall revise such practices consistent with the elements described in subsection (a)(2). (f) Repeal of No Permit Requirement.--Public Law 110-299 (33 U.S.C 1342 note) is amended by striking section 2. SEC. 5009. BEST MANAGEMENT PRACTICES FOR GREAT LAKES VESSELS. (a) In General.--Not later than two years after the date of enactment of this Act, the Secretary, in coordination with the Administrator, shall publish a final rule in the Federal Register that establishes best management practices for-- (1) ballast water for commercial vessels operating in navigable waters of the United States within the Great Lakes and Saint Lawrence River; and (2) discharges incidental to the normal operation of a commercial vessel in navigable waters of the United States for commercial vessels operating exclusively in the Great Lakes and Saint Lawrence River that-- (A) are greater than or equal to 79 feet in length; and (B) are not fishing vessels, including fish processing vessels and fish tender vessels (as such terms are defined in section 2101 of title 46, United States Code). (b) Elements.--The Secretary, in coordination with the Administrator and the owners or operators of commercial vessels described [[Page S6680]] in subsection (a), shall ensure that the best management practices established under subsection (a)-- (1) minimize the risk of establishment of aquatic nuisance species from discharges into or upon navigable waters of the United States from such commercial vessels; (2) minimize the discharge of pollutants into or upon navigable waters of the United States from such commercial vessels; (3) use the best available technology when appropriate; (4) are economically achievable and operationally practicable; (5) minimize disruption of commerce; (6) do not compromise the safety of a commercial vessel; and (7) to the extent possible, apply consistently to all navigable waters of the United States within the Great Lakes and Saint Lawrence River. (c) Transition.-- (1) In general.--Except as provided in paragraph (2), notwithstanding the expiration date for the General Permit and to the extent to which they do not conflict with section 5004(b), the following best management practices applicable to commercial vessels described in subsection (a) shall remain in effect until the date on which the best management practices described in such subsection are implemented under subsection (g): (A) Best management practices required by Part 2 of the General Permit. (B) Such other practices as required by the Secretary. (2) Exception.--Notwithstanding the expiration date for the General Permit and to the extent to which they do not conflict with section 5004(b), the best management practices described by the sections in Part 6 of the General Permit applicable to the Great Lakes States that are applicable to commercial vessels described in subsection (a) shall expire on the date on which the best management practices described in subsection (a) are implemented under subsection (g). (d) Outreach.--The Secretary shall solicit recommendations and information from the Great Lakes States, Indian Tribes, owners and operators of vessels described in subsection (a), and other persons that the Secretary considers appropriate in developing best management practices under subsection (a). (e) Review and Revision of Best Practices.--Not less frequently than once every 5 years, the Secretary, in coordination with the Administrator, shall review the best management practices established under subsection (a) and revise such practices by rule published in the Federal Register consistent with subsections (b) and (d). (f) Revised Practices by State Petition.-- (1) In general.--The Governor of a Great Lakes State may petition the Secretary to revise current, or employ additional, best management practices, consistent with the elements described in subsection (b), to address new and emerging aquatic nuisance species or pollution threats, implement more effective practices, or update guidelines to harmonize requirements on owners and operators of commercial vessels described in subsection (a). (2) Determination.-- (A) In general.--Not later than 180 days after receiving a petition under paragraph (1), the Secretary, in coordination with the Administrator, shall determine which, if any, best management practices included in such petition shall be required of commercial vessels described in subsection (a). (B) Consultation.--The Secretary shall consult with the Governors of other Great Lakes States and owners or operators of commercial vessels that would be subject to best management practices pursuant to paragraph (1) before making a determination under subparagraph (A). (3) Treatment of petition.--The Secretary may treat more than one petition submitted under paragraph (1) as a single petition. (4) Public availability.--The Secretary shall make publicly available a petition and any supporting documentation submitted under paragraph (1) for not less than 60 days prior to approving or disapproving such petition. (g) Implementation.-- (1) In general.--The Secretary shall implement the best management practices established by final rule under subsection (a) not later than 60 days after the date on which the final rule is published in the Federal Register as required by such subsection. (2) Implementation of practices by state petition.--Not later than 90 days after making a determination under subsection (f)(2), the Secretary shall, by rule published in the Federal Register, require commercial vessels that would be subject to the best management practices described in such subsection to implement such practices. (h) Public Availability.--The Secretary shall make publicly available any determination made under this section. SEC. 5010. JUDICIAL REVIEW. (a) In General.--A person may file a petition for review of a final rule or a final agency action issued under this title in the United States Court of Appeals for the District of Columbia Circuit. (b) Deadline.-- (1) In general.--A petition shall be filed under this section not later than 120 days after the date on which the final rule to be reviewed is published in the Federal Register or the final agency action is issued, as the case may be. (2) Exception.--Notwithstanding paragraph (1), a petition that is based solely on grounds that arise after the deadline to file a petition under paragraph (1) has passed may be filed not later than 120 days after the date on which such grounds first arise. SEC. 5011. STATE ENFORCEMENT. (a) State Authorities.-- (1) In general.--Not later than 60 days after the date of the enactment of this Act, the Secretary, in coordination with the Governors of the States, shall develop and publish Federal and State inspection, data management, and enforcement procedures for the enforcement of standards and requirements under this title by States. (2) Procedures.--Procedures developed and published under paragraph (1)-- (A) may be periodically updated; (B) shall describe the conditions and procedures under which the Secretary may suspend the agreement described in paragraph (3); and (C) shall have a mechanism for the Secretary to provide to the Governor of a State, if requested by the Governor, access to Automated Identification System arrival data for inbound vessels to specific ports or places of destination in the State. (3) State enforcement.--The Secretary shall enter into an agreement with the Governor of a State to authorize the State to inspect vessels to enforce the provisions of this title in accordance with the procedures developed under paragraph (1). (b) Fees.-- (1) In general.--Subject to paragraphs (2), (3), and (4), a State that assesses a permit fee, inspection fee, or other fee related to the regulation of ballast water or a discharge incidental to the normal operation of a commercial vessel before the date of the enactment of this Act may continue to assess such a fee to cover the costs of ***program*** administration, inspection, and enforcement activities by the State. (2) Maximum fee.--Except as provided in paragraph (3), a State may assess a fee under this subsection of not more than $1,000 per qualifying voyage to the owner or operator of a commercial vessel arriving at a port or place of destination in the State. (3) Commercial vessels engaged in coastwise trade.--A State may not assess more than $5,000 in fees per vessel each year to the owner or operator of a commercial vessel registered under the laws of the United States and lawfully engaged in the coastwise trade. (4) Adjustment for inflation.--A State may adjust a fee authorized by this subsection every 5 years to reflect the percentage by which the Consumer Price Index for all urban consumers published by the Department of Labor for the month of October immediately preceding the date of adjustment exceeds the Consumer Price Index for all urban consumers published by the Department of Labor for the month of October that immediately precedes the date that is 5 years before the date of adjustment. (5) Qualifying voyage.--In this subsection, the term ``qualifying voyage'' means a vessel arrival at a port or place of destination in a State by a commercial vessel that has operated outside of that State and excludes movement entirely within a single port or place of destination. (c) Effect on State Authority.--Except as provided in subsection (a) and as necessary to implement an agreement entered into under such subsection, no State or political subdivision thereof may adopt or enforce any statute, regulation, or other requirement of the State or political subdivision with respect to-- (1) a discharge into navigable waters of the United States from a commercial vessel of ballast water; or (2) a discharge into navigable waters of the United States incidental to the normal operation of a commercial vessel. (d) Preservation of Authority.--Nothing in this title may be construed as affecting the authority of a State or political subdivision thereof to adopt or enforce any statute, regulation, or other requirement with respect to any water or other substance discharged or emitted from a vessel in preparation for transport of the vessel by land from one body of water to another body of water. SEC. 5012. EFFECT ON OTHER LAWS. (a) Application of Federal Water Pollution Control Act.-- (1) In general.--Except as provided in section 5008(b), on or after the date of the enactment of this Act, the Federal Water Pollution Control Act (33 U.S.C 1251 et seq.) shall not apply to a discharge into navigable waters of the United States of ballast water from a commercial vessel or a discharge incidental to the normal operation of a commercial vessel. (2) Oil and hazardous substance liability; marine sanitation devices.--Nothing in this title may be construed as affecting the application to a commercial vessel of section 311 or 312 of the Federal Water Pollution Control Act (33 U.S.C 1321; 1322). (b) Established Regimes.--Notwithstanding any other provision of this title, nothing in this title may be construed as affecting the authority of the Federal Government under-- (1) the Act to Prevent Pollution from Ships (33 U.S.C 1901 et seq.) with respect to the regulation by the Federal Government of any discharge or emission that, on or after the date of the enactment of this Act, is covered under the Protocol of 1978 Relating to [[Page S6681]] the International Convention for the Prevention of Pollution from Ships, 1973, with annexes and protocols, done at London February 17, 1978; and (2) title X of the Coast Guard Authorization Act of 2010 (33 U.S.C 3801 et seq.) with respect to the regulation by the Federal Government of any anti-fouling system that, on or after the date of the enactment of this Act, is covered under the International Convention on the Control of Harmful Anti- fouling Systems on Ships, 2001, done at London October 5, 2001. (c) International Law.--Any action taken under this title shall be taken in accordance with international law. (d) Conforming Amendment.--Section 1205 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C 4725) is amended by adding at the end the following: ``Ballast water and discharges incidental to the normal operation of a commercial vessel, as such terms are defined in the Vessel Incidental Discharge Act, shall be regulated pursuant to such Act.''. SEC. 5013. QUAGGA MUSSEL. The Secretary of the Interior shall prescribe by regulation that the quagga mussel (Dreissena rostriformis bugensis) is a species that is injurious under section 42 of title 18, United States Code. SEC. 5014. COASTAL AQUATIC INVASIVE SPECIES MITIGATION GRANT ***PROGRAM*** AND MITIGATION FUND. (a) Coastal Aquatic Invasive Species Mitigation Grant ***Program***.-- (1) Definitions.--In this subsection: (A) Coastal zone.--The term ``coastal zone'' has the meaning given the term in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C 1453). (B) Eligible entity.--The term ``eligible entity'' means a State government, local government, Indian Tribe, nongovernmental organization, or academic institution. (C) Exclusive economic zone.--The term ``Exclusive Economic Zone'' means the Exclusive Economic Zone of the United States, as established by Presidential Proclamation 5030 of March 10, 1983 (16 U.S.C 1453 note). (D) Foundation.--The term ``Foundation'' means the National Fish and Wildlife Foundation established by section 2(a) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C 3701(a)). (E) ***Program***.--The term ``***Program***'' means the Coastal Aquatic Invasive Species Mitigation Grant ***Program*** established under paragraph (2). (2) Establishment.--The Secretary of Commerce and the Foundation shall establish the Coastal Aquatic Invasive Species Mitigation Grant ***Program*** to award grants to eligible entities, as described in this subsection. (3) Purposes.--The purposes of the ***Program*** are-- (A) to improve the understanding, prevention, and mitigation of, and response to, aquatic invasive species in the coastal zone and the Exclusive Economic Zone of the United States; (B) to support the prevention and mitigation of impacts from aquatic invasive species in the coastal zone of the United States; and (C) to support the restoration of marine, estuarine, and the Great Lakes environments in the coastal zone and the Exclusive Economic Zone of the United States that are impacted by aquatic invasive species. (4) Use of grants.-- (A) In general.--A grant awarded under the ***Program*** shall be used for an activity to carry out the purposes of the ***Program***, including an activity-- (i) to develop and implement procedures and ***programs*** to prevent, control, mitigate, or progressively eradicate aquatic invasive species in the coastal zone or the Exclusive Economic Zone of the United States; (ii) to restore habitat impacted by an aquatic invasive species; (iii) to develop new shipboard and land-based ballast water treatment system technologies and performance standards to prevent the introduction of aquatic invasive species; (iv) to develop mitigation measures to protect natural and cultural living resources, including shellfish, from the impacts of aquatic invasive species; or (v) to develop mitigation measures to protect infrastructure, such as hydroelectric infrastructure, from aquatic invasive species. (B) Prohibition on funding litigation.--A grant awarded under the ***Program*** may not be used to fund litigation in any matter. (5) Administration.--Not later than 90 days after the date of enactment of this Act, the Foundation, in consultation with the Secretary of Commerce, shall establish the following: (A) Application and review procedures for awarding grants under the ***Program***. (B) Approval procedures for awarding grants under the ***Program***. Such procedures shall require consultation with the Secretary of the Interior and the Administrator. (C) Performance accountability and monitoring measures for activities funded by a grant awarded under the ***Program***. (D) Procedures and methods to ensure accurate accounting and appropriate administration of grants awarded under the ***Program***, including standards of record keeping. (6) Matching requirement.--Each eligible entity awarded a grant under the ***Program*** to carry out an activity shall provide matching funds to carry out such activity, in cash or through in-kind contributions from sources other than the Federal Government, in an amount equal to 50 percent of the cost of such activity. (7) Funding.--The Secretary of Commerce and the Foundation shall use the amounts available in the Coastal Aquatic Invasive Species Mitigation Fund established under subsection (b), to award grants under the ***Program***. (b) Coastal Aquatic Invasive Species Mitigation Fund.-- (1) Creation of fund.--There is established in the Treasury of the United States a trust fund to be known as the ``Coastal Aquatic Invasive Species Mitigation Fund'' (referred to in this section as the ``Fund''), consisting of such amounts as may be appropriated or credited to the Fund as provided in this section or section 9602 of the Internal Revenue Code of 1986. (2) Transfers to fund.-- (A) Appropriation.--There is authorized to be appropriated from the Treasury to the Fund each fiscal year an amount equal to the penalties assessed under section 5003(b) in the prior fiscal year. (B) Authorization of further appropriations.--There is authorized to be appropriated to the Fund, in addition to the amounts transferred to the Fund under paragraph (1), $5,000,000 for each fiscal year. (3) Expenditures from fund.--Amounts in the Fund shall be available without further appropriation to the Secretary of Commerce and the National Fish and Wildlife Foundation established by section 2(a) of the National Fish and Wildlife Foundation Establishment Act to award grants under the Coastal Aquatic Invasive Species Mitigation Grant ***Program*** established under subsection (a)(2). SEC. 5015. RULES OF CONSTRUCTION. (a) International Standards.--Nothing in this title may be construed to impose any design, equipment, or operation standard on a commercial vessel not documented under the laws of the United States and engaged in innocent passage unless the standard implements a generally accepted international rule, as determined by the Secretary. (b) Other Authorities.--Nothing in this title may construed as affecting the authority of the Secretary of Commerce or the Secretary of the Interior to administer lands or waters under the administrative control of the Secretary of Commerce or the Secretary of the Interior. \_\_\_\_\_\_ SA 1484. Mr. WICKER submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO BALLAST WATER AND OTHER VESSEL INCIDENTAL DISCHARGE REGULATIONS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the enforcement of a national uniform standard for ballast water and other incidental discharges onboard commercial vessels, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1485. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO EMPOWERING STATES TO MANAGE GREATER SAGE-GROUSE POPULATIONS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to empowering States to manage greater sage-grouse populations by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1486. Mr. LEE submitted an amendment intended to be proposed to [[Page S6682]] amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO REPEALING THE RENEWABLE FUEL STANDARD ***PROGRAM***. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to repealing the renewable fuel standard ***program*** by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1487. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROHIBITING THE IMPLEMENTATION OF THE PARIS CLIMATE CHANGE AGREEMENT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting the implementation of the agreement of the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change, adopted at Paris on December 12, 2015, by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1488. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROMOTING CONGRESSIONAL, STATE, AND LOCAL INVOLVEMENT IN THE ESTABLISHMENT OF NATIONAL MONUMENTS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to enhancing transparency in the process of establishing national monuments by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1489. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 57, strike lines 19 through 21 and insert the following: (4) the payments in lieu of taxes ***program***; (5) the secure rural schools and community self- determination ***program***; or (6) chapter 3203 of title 54, United States Code, \_\_\_\_\_\_ SA 1490. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROHIBITING THE EXPENDITURE OF AMOUNTS FROM THE LAND AND WATER CONSERVATION FUND FOR THE ACQUISITION OF LAND UNTIL THE DATE ON WHICH THE MAINTENANCE BACKLOG OF THE NATIONAL PARK SERVICE IS REDUCED. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting amounts from the Land and Water Conservation Fund established under section 200302 of title 54, United States Code, to be used for land acquisition until the date on which the National Park Service maintenance backlog is less than $5,000,000 by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1491. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROHIBITING THE UNLAWFUL DETENTION OF A CITIZEN OF THE UNITED STATES THAT VIOLATES CERTAIN RIGHTS OF THE CITIZEN. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting the unlawful detention of a citizen of the United States, regardless of the circumstances of the arrest of the citizen, that may violate the due process rights of the citizen indefinitely, the right of the citizen to counsel, or the right of the citizen to have the identity of the citizen disclosed to the public, by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1492. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO ANNUAL REPORTS ON THE DEFENSE SPENDING OF THE ALLIES AND PARTNER NATIONS OF THE UNITED STATES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to annual reports on the defense spending of the allies and partner nations of the United States by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1493. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; [[Page S6683]] which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROHIBITING THE EXTENSION OF THE AUTHORIZATION FOR THE FLAWED END MODERN SLAVERY INITIATIVE (EMSI) GRANT ***PROGRAM***. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting the extension of the authorization for the flawed End Modern Slavery Initiative (EMSI) grant ***program*** by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1494. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO IMMEDIATELY PROHIBITING THE DEPLOYMENT OF THE ARMED FORCES INTO A FOREIGN COUNTRY FOR HUMANITARIAN OPERATIONS NOT PREVIOUSLY AUTHORIZED BY STATUTE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to immediately prohibiting the deployment of the Armed Forces into a foreign country for humanitarian operations not previously authorized by statute by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1495. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROHIBITING MODIFICATION OF THE APPLICABILITY OF THE MILITARY SELECTIVE SERVICE ACT BY EXECUTIVE OR JUDICIAL ACTION. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting modification of the applicability of the Military Selective Service Act by Executive or Judicial action by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1496. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROHIBITING BILATERAL ASSISTANCE TO FOREIGN COUNTRIES WHO HAVE FAILED TO FULFILL THEIR OBLIGATIONS IN UNITED NATIONS PEACEKEEPING MISSIONS OR WHOSE PEACEKEEPERS HAVE BEEN CONVICTED OF SEXUAL EXPLOITATION AND ABUSE AND HAVE FAILED TO IMPLEMENT NECESSARY CHANGES AND ACCOUNTABILITY MEASURES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting bilateral assistance to foreign countries who have failed to fulfill their obligations in United Nations peacekeeping missions or whose peacekeepers have been convicted of sexual exploitation and abuse and have failed to implement necessary changes and accountability measures by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1497. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROHIBITING OPERATIONS AND ACTIVITIES OF THE ARMED FORCES IN YEMEN. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting operations and activities of the Armed Forces in Yemen by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1498. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO REPORTING ON THE ACTIVITIES OF THE OFFICE OF TRANSITION INITIATIVES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to compiling a report on the activities of the Office of Transition Initiatives of the United States Agency for International Development by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1499. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROTECTING COMMUNITIES FROM DESTRUCTIVE FEDERAL OVERREACH BY THE FINAL RULE OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ENTITLED ``AFFIRMATIVELY FURTHERING FAIR HOUSING''. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to protecting communities from destructive Federal overreach by the final rule of the Department of Housing and Urban Development entitled ``Affirmatively Furthering Fair Housing'' by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or [[Page S6684]] the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1500. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PHASING OUT THE EXPORT-IMPORT BANK OF THE UNITED STATES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to phasing out the authority of the Export-Import Bank of the United States by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1501. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REQUIRING CONGRESSIONAL REVIEW OF THE IMPOSITION OF DUTIES AND OTHER TRADE MEASURES BY THE PRESIDENT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference, reports relating to congressional review of presidential trade actions by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1502. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3 \_\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO TRANSPARENCY WITHIN THE CONGRESSIONAL BUDGET OFFICE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing transparency practices by the Congressional Budget Office by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1503. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO PROHIBITING THE RECLASSIFICATION OF BROADBAND INTERNET ACCESS SERVICE AS AN INFORMATION SERVICE AND THE IMPLEMENTATION OF NET NEUTRALITY REGULATIONS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the openness of the Internet and the prohibition of net neutrality regulations by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1504. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO DEVOLVING SURFACE TRANSPORTATION MANAGEMENT FROM THE FEDERAL GOVERNMENT TO THE STATES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the devolution of the responsibility for building and maintaining the surface transportation of the United States from the Federal Government to the States by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1505. Mr. BOOKER (for himself and Mrs. Murray) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 53, between lines 22 and 23, insert the following: (7) restricting harmful or fraudulent treatments that purport to change the sexual orientation or gender identity of a child, youth, or adult, \_\_\_\_\_\_ SA 1506. Mr. NELSON submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 3, line 12, increase the amount by $520,000,000. On page 3, line 13, increase the amount by $1,850,000,000. On page 4, line 1, increase the amount by $3,090,000,000. On page 4, line 2, increase the amount by $4,035,000,000. On page 4, line 3, increase the amount by $4,955,000,000. On page 4, line 4, increase the amount by $5,955,000,000. On page 4, line 5, increase the amount by $6,925,000,000. On page 4, line 6, increase the amount by $7,770,000,000. On page 4, line 7, increase the amount by $8,475,000,000. On page 4, line 8, increase the amount by $9,010,000,000. On page 4, line 12, increase the amount by $520,000,000. On page 4, line 13, increase the amount by $1,850,000,000. On page 4, line 14, increase the amount by $3,090,000,000. On page 4, line 15, increase the amount by $4,035,000,000. On page 4, line 16, increase the amount by $4,955,000,000. On page 4, line 17, increase the amount by $5,955,000,000. On page 4, line 18, increase the amount by $6,925,000,000. On page 4, line 19, increase the amount by $7,770,000,000. On page 4, line 20, increase the amount by $8,475,000,000. On page 4, line 21, increase the amount by $9,010,000,000. On page 4, line 25, increase the amount by $520,000,000. On page 5, line 1, increase the amount by $1,850,000,000. On page 5, line 2, increase the amount by $3,090,000,000. On page 5, line 3, increase the amount by $4,035,000,000. [[Page S6685]] On page 5, line 4, increase the amount by $4,955,000,000. On page 5, line 5, increase the amount by $5,955,000,000. On page 5, line 6, increase the amount by $6,925,000,000. On page 5, line 7, increase the amount by $7,770,000,000. On page 5, line 8, increase the amount by $8,475,000,000. On page 5, line 9, increase the amount by $9,010,000,000. On page 5, line 13, increase the amount by $520,000,000. On page 5, line 14, increase the amount by $1,850,000,000. On page 5, line 15, increase the amount by $3,090,000,000. On page 5, line 16, increase the amount by $4,035,000,000. On page 5, line 17, increase the amount by $4,955,000,000. On page 5, line 18, increase the amount by $5,955,000,000. On page 5, line 19, increase the amount by $6,925,000,000. On page 5, line 20, increase the amount by $7,770,000,000. On page 5, line 21, increase the amount by $8,475,000,000. On page 5, line 22, increase the amount by $9,010,000,000. On page 22, line 20, increase the amount by $520,000,000. On page 22, line 21, increase the amount by $520,000,000. On page 22, line 24, increase the amount by $1,850,000,000. On page 22, line 25, increase the amount by $1,850,000,000. On page 23, line 3, increase the amount by $3,090,000,000. On page 23, line 4, increase the amount by $3,090,000,000. On page 23, line 7, increase the amount by $4,035,000,000. On page 23, line 8, increase the amount by $4,035,000,000. On page 23, line 11, increase the amount by $4,955,000,000. On page 23, line 12, increase the amount by $4,955,000,000. On page 23, line 15, increase the amount by $5,955,000,000. On page 23, line 16, increase the amount by $5,955,000,000. On page 23, line 19, increase the amount by $6,925,000,000. On page 23, line 20, increase the amount by $6,925,000,000. On page 23, line 23, increase the amount by $7,770,000,000. On page 23, line 24, increase the amount by $7,770,000,000. On page 24, line 2, increase the amount by $8,475,000,000. On page 24, line 3, increase the amount by $8,475,000,000. On page 24, line 6, increase the amount by $9,010,000,000. On page 24, line 7, increase the amount by $9,010,000,000. On page 47, line 6, decrease the amount by $52,585,000,000. At the end of subtitle A of title IV, add the following: SEC. 4\_\_. POINT OF ORDER AGAINST AN INCREASE IN PAYMENTS FOR FEDERAL STUDENT LOAN BORROWERS. (a) Point of Order.--It shall not be in order in the Senate to consider a bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would reduce the benefits available to current or future Federal student loan borrowers using income-driven repayment ***programs*** under part B or D of title IV of the Higher Education Act of 1965 (20 U.S.C 1071 et seq.; 1087a et seq.), including proposals that would increase the amount borrowers must pay to 12.5 percent of discretionary income and extend the cap on repayment for graduate students to 30 years. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1507. Mr. BROWN (for himself, Mr. Reed, Mr. Menendez, Mr. Warner, and Mr. Van Hollen) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCREASING CONSUMER PRIVACY AND TRANSPARENCY IN THE COLLECTION AND USE OF PERSONAL DATA BY NATIONWIDE CONSUMER REPORTING AGENCIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing consumer privacy and transparency in the collection and use of personal data by nationwide consumer reporting agencies by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1508. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO IMPLEMENTING RECOMMENDATIONS IN THE REGIONAL BIOSECURITY ***PLAN*** FOR MICRONESIA AND HAWAII OF THE DEPARTMENT OF THE NAVY. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to implementing recommendations in the Regional Biosecurity ***Plan*** for Micronesia and Hawaii of the Department of the Navy by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1509. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO RELATING TO SUPPORTING, PROTECTING, AND MAINTAINING FEDERAL PUBLIC LAND. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to supporting, protecting, and maintaining Federal public land, including national monuments, in the form in which the national monuments are in as of the date of enactment of this Act, for the enjoyment by current and future generations, to honor the national heritage of the United States, and to recognize the Federal public land as national treasures that belong to all people of the United States by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1510. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PRIORITIZING THE USE OF NATIVE PLANTS BY PUBLIC LAND MANAGERS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prioritizing the use of native plants by public land managers by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1511. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. [[Page S6686]] Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ESTABLISHING PUBLIC SHELTERS RATED TO WITHSTAND UP TO CATEGORY 5 HURRICANE WINDS ALONG COASTLINES AND WITHIN ISLAND COMMUNITIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to establishing public shelters rated to withstand up to category 5 hurricane winds along coastlines and within island communities by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1512. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ADDRESSING INVASIVE SPECIES THAT THREATEN THE DOMESTIC COFFEE AND MACADAMIA NUT INDUSTRIES AND NATIVE OHIA TREES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to addressing invasive species that threaten the domestic coffee and macadamia nut industries and native ohia trees by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1513. Ms. HIRONO (for herself and Mr. King) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ADDRESSING DEFERRED MAINTENANCE AT SCHOOLS OF ***AGRICULTURE*** IN THE UNITED STATES AND ***AGRICULTURAL*** RESEARCH SERVICE RESEARCH FACILITIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to addressing deferred maintenance at schools of ***agriculture*** in the United States and ***Agricultural*** Research Service research facilities by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1514. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ADDRESSING THE DEFERRED MAINTENANCE BACKLOG OF THE NATIONAL PARK SERVICE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to reducing the deferred maintenance backlog of the National Park Service, supporting the capacity of the National Park Service to meet annual maintenance needs, or ensuring that the repair, stabilization, or reconstruction of infrastructure is compliant with all applicable historic preservation and natural resource standards by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1515. Ms. HIRONO (for herself and Mr. Markey) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO STIMULATING INNOVATION TO ADVANCE THE ABILITY OF THE UNITED STATES TO UNDERSTAND, RESEARCH, OR MONITOR CORAL REEF ECOSYSTEMS, OR TO DEVELOP MANAGEMENT OR ADAPTATION OPTIONS TO PRESERVE, SUSTAIN, AND RESTORE CORAL REEF ECOSYSTEMS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to stimulating innovation to advance the ability of the United States to understand, research, or monitor coral reef ecosystems, or to develop management or adaptation options to preserve, sustain, and restore coral reef ecosystems, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1516. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INVESTING IN CLEAN ENERGY AND PRESERVING THE ENVIRONMENT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to energy conservation and renewable energy development or new or existing approaches to clean energy financing, reducing greenhouse gas emissions levels, or Federal ***programs*** for land and water conservation and acquisition or the preservation, restoration, or protection of public land, oceans, coastal areas, or aquatic ecosystems by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1517. Ms. HIRONO (for herself and Mr. Wyden) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: [[Page S6687]] SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ENHANCING THE READINESS OF THE ARMED FORCES BY IMPROVING ENERGY RESILIENCE ON MILITARY INSTALLATIONS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to enhancing the readiness of the Armed Forces, which may include legislation that improves energy resilience on military installations, including the use of cyber-secure microgrids, energy storage, or renewable energy and other projects that provide power directly to a military facility or installation, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1518. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO IMPROVING THE RELIABILITY AND RESILIENCE OF THE ELECTRIC GRID IN ISLANDED COMMUNITIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to improving the reliability and resilience of the electric grid in islanded communities or communities affected by natural disasters, including through the use of microgrids, energy storage, and renewable power sources, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1519. Ms. HIRONO (for herself, Mrs. Murray, and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO STRENGTHENING AND EXPANDING COLLECTIVE BARGAINING RIGHTS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to-- (1) strengthening and reaffirming the Federal policy in favor of collective bargaining; (2) stiffening penalties for companies that violate workers' rights to unionize and act collectively; (3) ending company interference in union organizing campaigns; (4) preserving the use of official time; (5) prohibiting permanent replacement of striking workers; and (6) expanding the benefits of the collective bargaining process to new and emerging employment sectors; by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1520. Mr. REED (for himself and Mr. Brown) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INVESTMENTS IN IMPROVING PRE-DISASTER MITIGATION, FLOOD MAPPING, FLOOD MITIGATION, AND RESILIENCE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to investments in improving pre-disaster mitigation, flood mapping, flood mitigation, and resilience by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1521. Mr. REED (for himself, Mr. Whitehouse, and Mr. Brown) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 79, line 2, insert ``, including the costs of fraud, waste, abuse, and crime resulting from any deregulation'' after ``variables''. \_\_\_\_\_\_ SA 1522. Mr. UDALL (for himself, Mr. Heinrich, Mr. Bennet, Mr. Wyden, and Mr. Markey) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO HARDROCK MINING REFORM. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to Federal land management, which may include provisions relating to budget deficit reduction, establishment of a reclamation fund, imposition of a locatable mineral royalty, revenue sharing with States, and improvements to the permitting process, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1523. Mr. COONS submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REQUIRING THE WHITE HOUSE OFFICE TO MAKE VISITOR LOGS PUBLICLY AVAILABLE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to requiring the White House Office to make visitor logs publicly available, including visitors to the White House, Mar-a-Lago, and the Trump National Golf Club in Bedminster, New Jersey, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1524. Mr. COONS (for himself and Mr. Booker) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 65, strike lines 1 through 17 and insert the following: (b) Exceptions.--Advance appropriations may be provided-- (1) for fiscal years 2019 and 2020 for ***programs***, projects, activities, or accounts identified in the joint explanatory statement of [[Page S6688]] managers accompanying this concurrent resolution under the heading ``Accounts Identified for Advance Appropriations'' in an aggregate amount not to exceed $33,952,000,000 in new budget authority in each fiscal year; (2) for the Corporation for Public Broadcasting; (3) for the Department of Veterans Affairs for the Medical Services, Medical Support and Compliance, Veterans Medical Community Care, and Medical Facilities accounts of the Veterans Health Administration; and (4) for Northeast Corridor Grants and National Network Grants to the National Railroad Passenger Corporation (commonly known as ``Amtrak''). \_\_\_\_\_\_ SA 1525. Mr. BROWN (for himself, Mr. Wyden, Mr. Blumenthal, Mr. Bennet, Mrs. Murray, Mr. Booker, Mr. Warner, Mr. Casey, Ms. Heitkamp, and Ms. Warren) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO HELPING STATES, COUNTIES, AND INDIAN TRIBES ADDRESS THE RECENT INCREASE IN FOSTER CARE ENTRIES DRIVEN BY THE OPIOID EPIDEMIC. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to helping States, counties, and Indian Tribes address the recent increase in foster care entries driven by the opioid epidemic through means such as allowing Federal child welfare matching funds to be used for substance use treatment and other evidence-based ***programs*** to help families stay safely together, providing resources to grandparents and other relatives, and improving the quality and oversight of Federally-funded foster care ***programs***, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1526. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. PROHIBITION ON PROCEEDING TO CONSIDERATION OF LEGISLATION WITHOUT A SCORE IN THE SENATE. (a) Definitions.--In this section-- (1) the term ``covered estimate'', with respect to covered legislation, means an estimate of the costs which would be incurred in carrying out the covered legislation, as determined by the Chairman of the Committee on the Budget of the Senate under the authority under section 312 of the Congressional Budget Act of 1974 (2 U.S.C 643); and (2) the term ``covered legislation'' means a bill, joint resolution, amendment between the Houses, or conference report. (b) Point of Order.--It shall not be in order in the Senate to proceed to consideration of any covered legislation unless, not later than 28 hours before the time the Senate proceeds to consideration of the covered legislation, a covered estimate with respect to the covered legislation is made publicly available-- (1) by the Chairman of the Committee on the Budget of the Senate; or (2) on the website of the Congressional Budget Office. (c) Supermajority Waiver and Appeal.-- (1) Waiver.--Subsection (b) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. (2) Appeal.--An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair under subsection (b) with respect to a motion to proceed. \_\_\_\_\_\_ SA 1527. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO COMPREHENSIVE REVIEWS OF THE UNITED STATES GOVERNMENT'S PARTICIPATION IN AND FUNDING OF THE UNITED NATIONS AND UNITED NATIONS- AFFILIATED ORGANIZATIONS AND THE ORGANIZATION OF AMERICAN STATES, TO THE IMPLEMENTATION OF THE OAS REVITALIZATION AND REFORM ACT OF 2013, AND TO COMPILING A REPORT ON FEDERAL SPENDING IN FOREIGN NATIONS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to comprehensive reviews of the United States Government's participation in and funding of the United Nations and United Nations-affiliated organizations and the United States Government's participation in and funding of the Organization of American States, to the implementation of the OAS Revitalization and Reform Act of 2013, and to compiling a report on Federal spending in foreign nations, by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1528. Mr. YOUNG submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO THE JOINT INTEGRATION OF THE MODERNIZATION AND SUSTAINMENT OF THE UNITED STATES NUCLEAR TRIAD. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the joint integration of the modernization and sustainment of the United States nuclear triad by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1529. Mr. DAINES submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO DECREASING RATES OF METHAMPHETAMINE USE IN NATIVE AMERICAN COMMUNITIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to decreasing rates of methamphetamine use in Native American communities, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1530. Mr. DAINES submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ADDRESSING THE DEFERRED MAINTENANCE NEEDS OF THE NATIONAL PARK SERVICE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the [[Page S6689]] pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to addressing the deferred maintenance needs of the National Park Service by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1531. Mr. CASEY (for himself, Ms. Warren, Mrs. Murray, and Mr. Blumenthal) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 3, line 12, increase the amount by $425,000,000. On page 3, line 13, increase the amount by $1,015,000,000. On page 4, line 1, increase the amount by $1,420,000,000. On page 4, line 2, increase the amount by $1,765,000,000. On page 4, line 3, increase the amount by $2,140,000,000. On page 4, line 4, increase the amount by $2,570,000,000. On page 4, line 5, increase the amount by $3,015,000,000. On page 4, line 6, increase the amount by $3,445,000,000. On page 4, line 7, increase the amount by $3,825,000,000. On page 4, line 8, increase the amount by $4,105,000,000. On page 4, line 12, increase the amount by $425,000,000. On page 4, line 13, increase the amount by $1,015,000,000. On page 4, line 14, increase the amount by $1,420,000,000. On page 4, line 15, increase the amount by $1,765,000,000. On page 4, line 16, increase the amount by $2,140,000,000. On page 4, line 17, increase the amount by $2,570,000,000. On page 4, line 18, increase the amount by $3,015,000,000. On page 4, line 19, increase the amount by $3,445,000,000. On page 4, line 20, increase the amount by $3,825,000,000. On page 4, line 21, increase the amount by $4,105,000,000. On page 4, line 25, increase the amount by $425,000,000. On page 5, line 1, increase the amount by $1,015,000,000. On page 5, line 2, increase the amount by $1,420,000,000. On page 5, line 3, increase the amount by $1,765,000,000. On page 5, line 4, increase the amount by $2,140,000,000. On page 5, line 5, increase the amount by $2,570,000,000. On page 5, line 6, increase the amount by $3,015,000,000. On page 5, line 7, increase the amount by $3,445,000,000. On page 5, line 8, increase the amount by $3,825,000,000. On page 5, line 9, increase the amount by $4,105,000,000. On page 5, line 13, increase the amount by $425,000,000. On page 5, line 14, increase the amount by $1,015,000,000. On page 5, line 15, increase the amount by $1,420,000,000. On page 5, line 16, increase the amount by $1,765,000,000. On page 5, line 17, increase the amount by $2,140,000,000. On page 5, line 18, increase the amount by $2,570,000,000. On page 5, line 19, increase the amount by $3,015,000,000. On page 5, line 20, increase the amount by $3,445,000,000. On page 5, line 21, increase the amount by $3,825,000,000. On page 5, line 22, increase the amount by $4,105,000,000. On page 22, line 20, increase the amount by $425,000,000. On page 22, line 21, increase the amount by $425,000,000. On page 22, line 24, increase the amount by $1,015,000,000. On page 22, line 25, increase the amount by $1,015,000,000. On page 23, line 3, increase the amount by $1,420,000,000. On page 23, line 4, increase the amount by $1,420,000,000. On page 23, line 7, increase the amount by $1,765,000,000. On page 23, line 8, increase the amount by $1,765,000,000. On page 23, line 11, increase the amount by $2,140,000,000. On page 23, line 12, increase the amount by $2,140,000,000. On page 23, line 15, increase the amount by $2,570,000,000. On page 23, line 16, increase the amount by $2,570,000,000. On page 23, line 19, increase the amount by $3,015,000,000. On page 23, line 20, increase the amount by $3,015,000,000. On page 23, line 23, increase the amount by $3,445,000,000. On page 23, line 24, increase the amount by $3,445,000,000. On page 24, line 2, increase the amount by $3,825,000,000. On page 24, line 3, increase the amount by $3,825,000,000. On page 24, line 6, increase the amount by $4,105,000,000. On page 24, line 7, increase the amount by $4,105,000,000. On page 47, line 6, decrease the amount by $23,725,000,000. At the end of subtitle A of title IV, insert the following: SEC. 4\_\_\_. POINT OF ORDER AGAINST CUTS TO PUBLIC SERVICE LOAN FORGIVENESS. (a) Point of Order.--It shall not be in order in the Senate to consider a bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would eliminate or reduce the public service loan forgiveness available under section 455(m) of the Higher Education Act of 1965 (20 U.S.C 1087e(m)) to student borrowers of eligible Federal Direct Loans. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1532. Mr. BOOKER submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO SUPPORTING RESEARCH, SURVEILLANCE, AND EDUCATION REGARDING NEGLECTED TROPICAL DISEASES IN THE UNITED STATES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to encouraging the Department of Health and Human Services to improve research, surveillance, and education regarding the presence and impact of neglected tropical diseases in the United States, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1533. Mr. BOOKER submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROMOTING AND EDUCATING AMERICANS ABOUT THE OPEN ENROLLMENT PERIOD FOR THE HEALTH INSURANCE EXCHANGES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing funds for advertising, in-person assistance, and other outreach activities that would promote and educate Americans about the open enrollment period for the health insurance Exchanges, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1534. Mr. WYDEN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: [[Page S6690]] In Section 2001, strike subsection (b) \_\_\_\_\_\_ SA 1535. Mr. WYDEN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: In Section 2001, strike subsection (b) \_\_\_\_\_\_ SA 1536. Mr. KING submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TAX RELIEF FOR FAMILIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing Federal tax relief for families, which may include amending the child tax credit and the child and dependent care tax credit, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1537. Mr. UDALL submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROTECTING ***PROGRAMS*** ADMINISTERED BY THE BUREAU OF INDIAN AFFAIRS, THE INDIAN HEALTH SERVICE, AND ALL OTHER RELEVANT AGENCIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to protecting ***programs*** administered by the Bureau of Indian Affairs, the Indian Health Service, and all other relevant agencies, which may include changing the scope of sequestration as carried out by the Office of Management and Budget, such as for all ***programs*** administered by the Bureau of Indian Affairs (including public safety and justice, education, social services and natural resources ***programs***), ***programs*** administered by the Indian Health Service, and housing ***programs*** carried out pursuant to the Native American Housing Assistance and Self-Determination Act of 1996, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1538. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROHIBITING FEDERAL FUNDING FOR THE CONSTRUCTION OR EXPANSION OF PRIVATELY-RUN IMMIGRATION DETENTION FACILITIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting funding for the construction or expansion of privately-run immigration detention facilities by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1539. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROTECTING THE RIGHTS OF ALL AMERICANS TO BE FREE FROM DISCRIMINATION BASED ON THEIR SEXUAL ORIENTATION, GENDER IDENTITY, RELIGION, RACE, COLOR, SEX, OR NATIONAL ORIGIN. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports, relating to ensuring that Federal agencies protect the rights of all individuals in the United States to be free from discrimination (such as discrimination in employment, contracting, or ***programs*** and services) based on their sexual orientation, gender identity, religion, race, color, sex, or national origin, in accordance with the Constitution of the United States and Federal law, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1540. Ms. HIRONO submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PREVENTING U.S IMMIGRATION AND CUSTOMS ENFORCEMENT FROM DEVIATING FROM ITS EXISTING SENSITIVE LOCATIONS POLICY. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to preventing U.S Immigration and Customs Enforcement from deviating from its existing sensitive locations policy or executing enforcement actions at sensitive locations by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1541. Mr. SCHATZ (for himself, Ms. Cortez Masto, Mr. Udall, and Mr. Coons) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO DEFENDING BROADCAST LICENSEES AND THE FIRST AMENDMENT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting the Federal Communications Commission from revoking or otherwise impairing, directly or indirectly, a broadcast license issued by the Commission simply because the President, or another member of the Administration of the President, is dissatisfied by the news content aired by the licensee about the President or the Administration by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1542. Mr. LEE submitted an amendment intended to be proposed to [[Page S6691]] amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. PROHIBITION ON PROCEEDING TO CONSIDERATION OF LEGISLATION WITHOUT A SCORE IN THE SENATE. (a) Definitions.--In this section-- (1) the term ``covered estimate'', with respect to covered legislation, means an estimate of the costs which would be incurred in carrying out the covered legislation, as determined by the Chairman of the Committee on the Budget of the Senate under the authority under section 312 of the Congressional Budget Act of 1974 (2 U.S.C 643); and (2) the term ``covered legislation'' means a bill, joint resolution, amendment between the Houses, or conference report. (b) Point of Order.--It shall not be in order in the Senate to proceed to any covered legislation by motion or by consent unless, not later than 28 hours before the time the Senate proceeds to consideration of the covered legislation, a covered estimate with respect to the covered legislation is made publicly available-- (1) by the Chairman of the Committee on the Budget of the Senate; or (2) on the website of the Congressional Budget Office. (c) Supermajority Waiver and Appeal.-- (1) Waiver.--Subsection (b) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. (2) Appeal.--An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair under subsection (b) with respect to a motion to proceed. \_\_\_\_\_\_ SA 1543. Mr. HEINRICH (for himself and Mr. Udall) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 47, strike line 3 and insert the following: In the Senate, not later than November 13, 2017, the Committee on On page 47, strike lines 8 through 21. \_\_\_\_\_\_ SA 1544. Mr. MERKLEY (for himself, Mr. Wyden, and Mrs. Murray) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: On page 57, strike lines 19 and 20 and insert the following: (4) resources to assist local communities in recovering from damages relating to wildland fires; (5) the payments in lieu of taxes ***program***; or (6) the secure rural schools and community \_\_\_\_\_\_ SA 1545. Ms. WARREN (for herself, Mr. Menendez, Ms. Duckworth, and Ms. Hirono) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST LEGISLATION THAT WOULD HARM BABIES BORN PREMATURELY BY CUTTING FEDERAL FUNDING FOR MEDICAID THAT SUPPORTS MEDICATIONS, SPECIAL EQUIPMENT, AND THERAPIES TO HELP THESE BABIES THRIVE AND PROTECTS THEIR FAMILIES FROM BANKRUPTCY. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would harm babies born prematurely by cutting Federal funding for the Medicaid ***program*** under title XIX of the Social Security Act (42 U.S.C 1396 et seq.), which supports medications, special equipment, and therapies to help these babies thrive and protects their families from bankruptcy. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1546. Ms. WARREN (for herself, Mr. Sanders, Mr. Markey, Mr. Menendez, Ms. Duckworth, and Ms. Hirono) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_. POINT OF ORDER AGAINST LEGISLATION THAT WOULD INCREASE THE LIKELIHOOD OF MEDICAL BANKRUPTCY FOR AMERICAN FAMILIES, INCLUDING LEGISLATION THAT WOULD CUT FEDERAL FUNDING FOR MEDICAID. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that would increase the likelihood of medical bankruptcy for families in the United States, including any such bill, joint resolution, motion, amendment, or conference report that would result in decreased Federal funding for the Medicaid ***program*** under title XIX of the Social Security Act (42 U.S.C 1396 et seq.). (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). \_\_\_\_\_\_ SA 1547. Mr. DAINES (for himself, Mr. Lankford, Mr. Strange, Mr. Blunt, and Mrs. Ernst) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCREASING FUNDING FOR COMMUNITY HEALTH CENTERS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to legislation that would transfer Federal funding from organizations that receive such funding and perform abortions to organizations that provide comprehensive care for women, including community health centers, by the amounts provided in such legislation for such purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1548. Mr. DAINES submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCREASING BENEFICIARY CHOICE AND INDIVIDUAL FREEDOM IN HEALTH CARE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing beneficiary choice and individual freedom in the receipt of health care, which may include the expansion of the available uses and contribution limits applicable to health savings accounts, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1549. Mr. DAINES submitted an amendment intended to be proposed by him to the concurrent resolution H. [[Page S6692]] Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO INCREASING TRANSPARENCY IN HEALTH CARE PRICING. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to ensuring transparency for costs and pricing of health care services provided through Federal Government ***programs*** under which beneficiaries have a financial responsibility, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1550. Mr. UDALL (for himself and Mr. Heinrich) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of subtitle A of title IV, add the following: SEC. 41\_\_\_. PROHIBITION ON SCORING OF AMOUNTS FROM SALES OR LEASES OF PUBLIC LAND. In the Senate, for purposes of determining budgetary impacts to evaluate points of order under the Congressional Budget Act of 1974 (2 U.S.C 621 et seq.) or any concurrent resolution on the budget, provisions contained in any bill, resolution, amendment, motion, or conference report that generate Federal offsetting receipts from the sale or lease of land or interest in land that is part of the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, National Forest System, or a National Monument shall not be taken into account with respect to the level of budget authority, outlays, or revenues contained in such legislation. \_\_\_\_\_\_ SA 1551. Mr. ENZI submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end, add the following: TITLE V--BUDGET PROCESS IN THE HOUSE OF REPRESENTATIVES Subtitle A--Budget Enforcement SEC. 5101. POINT OF ORDER AGAINST INCREASING LONG-TERM DIRECT SPENDING. (a) Point of Order.--It shall not be in order in the House of Representatives to consider any bill or joint resolution, or amendment thereto or conference report thereon, that would cause a net increase in direct spending in excess of $2,500,000,000 in any of the 4 consecutive 10-fiscal year periods described in subsection (b). (b) Congressional Budget Office Analysis of Proposals.--The Director of the Congressional Budget Office shall, to the extent practicable, prepare an estimate of whether a bill or joint resolution reported by a committee (other than the Committee on Appropriations), or amendment thereto or conference report thereon, would cause, relative to current law, a net increase in direct spending in the House of Representatives, in excess of $2,500,000,000 in any of the 4 consecutive 10-fiscal year periods beginning after the last fiscal year of this concurrent resolution. (c) Limitation.--In the House of Representatives, the provisions of this section shall not apply to any bills or joint resolutions, or amendments thereto or conference reports thereon, for which the chair of the Committee on the Budget has made adjustments to the allocations, aggregates, or other budgetary levels in this concurrent resolution. (d) Determinations of Budget Levels.--For purposes of this section, the levels of net increases in direct spending shall be determined on the basis of estimates provided by the chair of the Committee on the Budget of the House of Representatives. (e) Sunset.--This section shall have no force or effect after September 30, 2018. SEC. 5102. ALLOCATION FOR OVERSEAS CONTINGENCY OPERATIONS/ GLOBAL WAR ON TERRORISM. (a) Separate Allocation for Overseas Contingency Operations/Global War on Terrorism.--In the House of Representatives, there shall be a separate allocation of new budget authority and outlays provided to the Committee on Appropriations for the purposes of Overseas Contingency Operations/Global War on Terrorism, which shall be deemed to be an allocation under section 302(a) of the Congressional Budget Act of 1974. Section 302(a)(3) of such Act shall not apply to such separate allocation. (b) Section 302 Allocations.--The separate allocation referred to in subsection (a) shall be the exclusive allocation for Overseas Contingency Operations/Global War on Terrorism under section 302(b) of the Congressional Budget Act of 1974. The Committee on Appropriations of the House of Representatives may provide suballocations of such separate allocation under such section 302(b). (c) Application.--For purposes of enforcing the separate allocation referred to in subsection (a) under section 302(f) of the Congressional Budget Act of 1974, the ``first fiscal year'' and the ``total of fiscal years'' shall be deemed to refer to fiscal year 2018. Section 302(c) of such Act shall not apply to such separate allocation. (d) Designations.--New budget authority or outlays shall only be counted toward the allocation referred to in subsection (a) if designated pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. (e) Adjustments.--For purposes of subsection (a) for fiscal year 2018, no adjustment shall be made under section 314(a) of the Congressional Budget Act of 1974 if any adjustment would be made under section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. SEC. 5103. LIMITATION ON CHANGES IN CERTAIN MANDATORY ***PROGRAMS***. (a) Definition.--In this section, the term ``change in mandatory ***programs***'' means a provision that-- (1) would have been estimated as affecting direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002) if the provision were included in legislation other than appropriation Acts; and (2) results in a net decrease in budget authority in the budget year, but does not result in a net decrease in outlays over the total of the current year, the budget year, and all fiscal years covered under the most recently agreed to concurrent resolution on the budget. (b) Point of Order in the House of Representatives.-- (1) In general.--A provision in a bill or joint resolution making appropriations for a full fiscal year that proposes a change in mandatory ***programs*** that, if enacted, would cause the absolute value of the total budget authority of all such changes in mandatory ***programs*** enacted in relation to a full fiscal year to be more than the amount specified in paragraph (3), shall not be in order in the House of Representatives. (2) Amendments and conference reports.--It shall not be in order in the House of Representatives to consider an amendment to, or a conference report on, a bill or joint resolution making appropriations for a full fiscal year if such amendment thereto or conference report thereon proposes a change in mandatory ***programs*** that, if enacted, would cause the absolute value of the total budget authority of all such changes in mandatory ***programs*** enacted in relation to a full fiscal year to be more than the amount specified in paragraph (3). (3) Amount.--The amount specified in this paragraph is-- (A) for fiscal year 2018, $19,100,000,000; (B) for fiscal year 2019, $17,000,000,000; and (C) for fiscal year 2020, $15,000,000,000. (c) Determination.--For purposes of this section, budgetary levels shall be determined on the basis of estimates provided by the chair of the Committee on the Budget of the House of Representatives. SEC. 5104. LIMITATION ON ADVANCE APPROPRIATIONS. (a) In General.--In the House of Representatives, except as provided for in subsection (b), any general appropriation bill or bill or joint resolution continuing appropriations, or amendment thereto or conference report thereon, may not provide advance appropriations. (b) Exceptions.--An advance appropriation may be provided for ***programs***, projects, activities, or accounts identified in the report or the joint explanatory statement of managers, as applicable, accompanying this concurrent resolution under the following headings: (1) General.--``Accounts Identified for Advance Appropriations''. (2) Veterans.--``Veterans Accounts Identified for Advance Appropriations''. (c) Limitations.--The aggregate level of advance appropriations shall not exceed the following: (1) General.--$28,852,000,000 in new budget authority for all ***programs*** identified pursuant to subsection (b)(1). (2) Veterans.--$70,699,313,000 in new budget authority for ***programs*** in the Department of Veterans Affairs identified pursuant to subsection (b)(2). (d) Definition.--In this section, the term ``advance appropriation'' means any new discretionary budget authority provided in a general appropriation bill or joint resolution [[Page S6693]] continuing appropriations for fiscal year 2018, or any amendment thereto or conference report thereon, that first becomes available for the first fiscal year following fiscal year 2018. SEC. 5105. ESTIMATES OF DEBT SERVICE COSTS. In the House of Representatives, the chair of the Committee on the Budget may direct the Congressional Budget Office to include, in any estimate prepared under section 402 of the Congressional Budget Act of 1974 with respect to any bill or joint resolution, an estimate of any change in debt service costs resulting from carrying out such bill or resolution. Any estimate of debt service costs provided under this section shall be advisory and shall not be used for purposes of enforcement of such Act, the Rules of the House of Representatives, or this concurrent resolution. This section shall not apply to authorizations of ***programs*** funded by discretionary spending or to appropriation bills or joint resolutions, but shall apply to changes in the authorization level of appropriated entitlements. SEC. 5106. FAIR-VALUE CREDIT ESTIMATES. (a) All Credit ***Programs***.--Whenever the Director of the Congressional Budget Office provides an estimate of any measure that establishes or modifies any ***program*** providing loans or loan guarantees, the Director shall also, to the extent practicable, provide a fair-value estimate of such loan or loan guarantee ***program*** if requested by the chair of the Committee on the Budget of the House of Representatives. (b) Student Financial Assistance and Housing ***Programs***.--The Director of the Congressional Budget Office shall provide, to the extent practicable, a fair-value estimate as part of any estimate for any measure that establishes or modifies a loan or loan guarantee ***program*** for student financial assistance or housing (including residential mortgage). (c) Baseline Estimates.--The Congressional Budget Office shall include estimates, on a fair-value and credit reform basis, of loan and loan guarantee ***programs*** for student financial assistance, housing (including residential mortgage), and such other major loan and loan guarantee ***programs***, as practicable, in its The Budget and Economic Outlook: 2018 to 2027. (d) Enforcement in the House of Representatives.--If the Director of the Congressional Budget Office provides an estimate pursuant to subsection (a) or (b), the chair of the Committee on the Budget of the House of Representatives may use such estimate to determine compliance with the Congressional Budget Act of 1974 and other budget enforcement requirements. SEC. 5107. ESTIMATES OF MACROECONOMIC EFFECTS OF MAJOR LEGISLATION. (a) CBO and JCT Estimates.--During the 115th Congress, any estimate of major legislation considered in the House of Representatives provided by the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 or by the Joint Committee on Taxation to the Congressional Budget Office under section 201(f) of such Act shall, to the extent practicable, incorporate the budgetary effects of changes in economic output, employment, capital stock, and other macroeconomic variables resulting from such major legislation. (b) Contents.--Any estimate referred to in subsection (a) shall, to the extent practicable, include-- (1) a qualitative assessment of the budgetary effects (including macroeconomic variables described in subsection (a)) of the major legislation in the 20-fiscal year period beginning after the last fiscal year of the most recently agreed to concurrent resolution on the budget that sets forth budgetary levels required under section 301 of the Congressional Budget Act of 1974; and (2) an identification of the critical assumptions and the source of data underlying that estimate. (c) Definitions.--In this section: (1) Major legislation.--The term ``major legislation'' means a bill or joint resolution, or amendment thereto or conference report thereon-- (A) for which an estimate is required to be prepared pursuant to section 402 of the Congressional Budget Act of 1974 (2 U.S.C 653) and that causes a gross budgetary effect (before incorporating macroeconomic effects and not including timing shifts) in a fiscal year in the period of years of the most recently agreed to concurrent resolution on the budget equal to or greater than 0.25 percent of the current projected gross domestic product of the United States for that fiscal year; or (B) designated as such by-- (i) the chair of the Committee on the Budget of the House of Representatives for all direct spending legislation; or (ii) the Member who is Chairman or Vice Chairman of the Joint Committee on Taxation for revenue legislation. (2) Budgetary effects.--The term ``budgetary effects'' means changes in revenues, direct spending outlays, and deficits. (3) Timing shifts.--The term ``timing shifts'' means-- (A) provisions that cause a delay of the date on which outlays flowing from direct spending would otherwise occur from one fiscal year to the next fiscal year; or (B) provisions that cause an acceleration of the date on which revenues would otherwise occur from one fiscal year to the prior fiscal year. SEC. 5108. ADJUSTMENTS FOR IMPROVED CONTROL OF BUDGETARY RESOURCES. (a) Adjustments of Discretionary and Direct Spending Levels.--In the House of Representatives, if a committee (other than the Committee on Appropriations) reports a bill or joint resolution, or an amendment thereto is offered or conference report thereon is submitted, providing for a decrease in direct spending (budget authority and outlays flowing therefrom) for any fiscal year and also provides for an authorization of appropriations for the same purpose, upon the enactment of such measure, the chair of the Committee on the Budget may decrease the allocation to the applicable authorizing committee that reports such measure and increase the allocation of discretionary spending (budget authority and outlays flowing therefrom) to the Committee on Appropriations for fiscal year 2018 by an amount equal to the new budget authority (and outlays flowing therefrom) provided for in a bill or joint resolution making appropriations for the same purpose. (b) Determinations.--In the House of Representatives, for purposes of enforcing this concurrent resolution, the allocations and aggregate levels of new budget authority, outlays, direct spending, revenues, deficits, and surpluses for fiscal year 2018 and the total of fiscal years 2018 through 2027 shall be determined on the basis of estimates made by the chair of the Committee on the Budget and such chair may adjust the applicable levels in this concurrent resolution. SEC. 5109. SCORING RULE FOR ENERGY SAVINGS PERFORMANCE CONTRACTS. (a) In General.--The Director of the Congressional Budget Office shall estimate provisions of any bill or joint resolution, or amendment thereto or conference report thereon, that provides the authority to enter into or modify any covered energy savings contract on a net present value basis (NPV). (b) NPV Calculations.--The net present value of any covered energy savings contract shall be calculated as follows: (1) The discount rate shall reflect market risk. (2) The cash flows shall include, whether classified as mandatory or discretionary, payments to contractors under the terms of their contracts, payments to contractors for other services, and direct savings in energy and energy-related costs. (3) The stream of payments shall cover the period covered by the contracts but not to exceed 25 years. (c) Definition.--As used in this section, the term ``covered energy savings contract'' means-- (1) an energy savings performance contract authorized under section 801 of the National Energy Conservation Policy Act; or (2) a utility energy service contract, as described in the Office of Management and Budget Memorandum on Federal Use of Energy Savings Performance Contracting, dated July 25, 1998 (M-98-13), and the Office of Management and Budget Memorandum on the Federal Use of Energy Saving Performance Contracts and Utility Energy Service Contracts, dated September 28, 2015 (M-12-21), or any successor to either memorandum. (d) Enforcement in the House of Representatives.--In the House of Representatives, if any net present value of any covered energy savings contract calculated under subsection (b) results in a net savings, then the budgetary effects of such contract shall not be counted for purposes of titles III and IV of the Congressional Budget Act of 1974, this concurrent resolution, or clause 10 of rule XXI of the Rules of the House of Representatives. (e) Classification of Spending.--For purposes of budget enforcement, the estimated net present value of the budget authority provided by the measure, and outlays flowing therefrom, shall be classified as direct spending. (f) Sense of the House of Representatives.--It is the sense of the House of Representatives that-- (1) the Director of the Office of Management and Budget, in consultation with the Director of the Congressional Budget Office, should separately identify the cash flows under subsection (b)(2) and include such information in the President's annual budget submission under section 1105(a) of title 31, United States Code; and (2) the scoring method used in this section should not be used to score any contracts other than covered energy savings contracts. SEC. 5110. LIMITATION ON TRANSFERS FROM THE GENERAL FUND OF THE TREASURY TO THE HIGHWAY TRUST FUND. In the House of Representatives, for purposes of the Congressional Budget Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the rules or orders of the House of Representatives, a bill or joint resolution, or an amendment thereto or conference report thereon, that transfers funds from the general fund of the Treasury to the Highway Trust Fund shall be counted as new budget authority and outlays equal to the amount of the transfer in the fiscal year the transfer occurs. SEC. 5111. PROHIBITION ON USE OF FEDERAL RESERVE SURPLUSES AS AN OFFSET. In the House of Representatives, any provision of a bill or joint resolution, or amendment thereto or conference report thereon, that transfers any portion of the net surplus of the Federal Reserve System to the general fund of the Treasury shall not be counted for purposes of enforcing the Congressional Budget Act of 1974, this concurrent resolution, or clause 10 of rule XXI of the Rules of the House of Representatives. [[Page S6694]] SEC. 5112. PROHIBITION ON USE OF GUARANTEE FEES AS AN OFFSET. In the House of Representatives, any provision of a bill or joint resolution, or amendment thereto or conference report thereon, that increases, or extends the increase of, any guarantee fees of the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) shall not be counted for purposes of enforcing the Congressional Budget Act of 1974, this concurrent resolution, or clause 10 of rule XXI of the Rules of the House of Representatives. SEC. 5113. MODIFICATION OF RECONCILIATION IN THE HOUSE OF REPRESENTATIVES. (a) In General.--Section 2002 shall have no force or effect. (b) Reconciliation in the House of Representatives.--Not later than November 13, 2017, the Committee on Ways and Means of the House of Representatives shall report to the House of Representatives changes in laws within its jurisdiction that increase the deficit by not more than $1,500,000,000,000 for the period of fiscal years 2018 through 2027. Subtitle B--Other Provisions SEC. 5201. BUDGETARY TREATMENT OF ADMINISTRATIVE EXPENSES. (a) In General.--In the House of Representatives, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974, section 13301 of the Budget Enforcement Act of 1990, and section 2009a of title 39, United States Code, the report or the joint explanatory statement, as applicable, accompanying this concurrent resolution shall include in its allocation to the Committee on Appropriations under section 302(a) of the Congressional Budget Act of 1974 amounts for the discretionary administrative expenses of the Social Security Administration and the United States Postal Service. (b) Special Rule.--In the House of Representatives, for purposes of enforcing section 302(f) of the Congressional Budget Act of 1974, estimates of the levels of total new budget authority and total outlays provided by a measure shall include any discretionary amounts described in subsection (a). SEC. 5202. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES. (a) Application.--In the House of Representatives, any adjustments of the allocations, aggregates, and other budgetary levels made pursuant to this concurrent resolution shall-- (1) apply while that measure is under consideration; (2) take effect upon the enactment of that measure; and (3) be published in the Congressional Record as soon as practicable. (b) Effect of Changed Allocations and Aggregates.--Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as the allocations and aggregates contained in this concurrent resolution. (c) Budget Committee Determinations.--For purposes of this concurrent resolution, the budgetary levels for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the chair of the Committee on the Budget of the House of Representatives. (d) Aggregates, Allocations and Application.--In the House of Representatives, for purposes of this concurrent resolution and budget enforcement, the consideration of any bill or joint resolution, or amendment thereto or conference report thereon, for which the chair of the Committee on the Budget makes adjustments or revisions in the allocations, aggregates, and other budgetary levels of this concurrent resolution shall not be subject to the points of order set forth in clause 10 of rule XXI of the Rules of the House of Representatives or section 5101 of this concurrent resolution. (e) Other Adjustments.--The chair of the Committee on the Budget of the House of Representatives may adjust other appropriate levels in this concurrent resolution depending on congressional action on pending reconciliation legislation. SEC. 5203. ADJUSTMENTS TO REFLECT CHANGES IN CONCEPTS AND DEFINITIONS. In the House of Representatives, the chair of the Committee on the Budget may adjust the appropriate aggregates, allocations, and other budgetary levels in this concurrent resolution for any change in budgetary concepts and definitions consistent with section 251(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985. SEC. 5204. ADJUSTMENT FOR CHANGES IN THE BASELINE. In the House of Representatives, the chair of the Committee on the Budget may adjust the allocations, aggregates, reconciliation targets, and other appropriate budgetary levels in this concurrent resolution to reflect changes resulting from the Congressional Budget Office's update to its baseline for fiscal years 2018 through 2027. SEC. 5205. APPLICATION OF RULE REGARDING LIMITS ON DISCRETIONARY SPENDING. Section 314(f) of the Congressional Budget Act of 1974 shall not apply in the House of Representatives to any bill, joint resolution, or amendment that provides new budget authority for a fiscal year or to any conference report on any such bill or resolution if-- (1) the enactment of that bill or resolution; (2) the adoption and enactment of that amendment; or (3) the enactment of that bill or resolution in the form recommended in that conference report, would not cause the 302(a) allocation to the Committee on Appropriations for fiscal year 2018 to be exceeded. SEC. 5206. ENFORCEMENT FILING IN THE HOUSE. In the House of Representatives, if a concurrent resolution on the budget for fiscal year 2018 is adopted without the appointment of a committee of conference on the disagreeing votes of the two Houses with respect to this concurrent resolution on the budget, for the purpose of enforcing the Congressional Budget Act of 1974 and applicable rules and requirements set forth in the concurrent resolution on the budget, the allocations and list provided for in this section shall apply in the House of Representatives in the same manner as if such allocations and list were in a joint explanatory statement accompanying a conference report on the budget for fiscal year 2018. The chair of the Committee on the Budget of the House of Representatives shall submit a statement for publication in the Congressional Record containing-- (1) for the Committee on Appropriations, committee allocations for fiscal year 2018 consistent with title I for the purpose of enforcing section 302 of the Congressional Budget Act of 1974 (2 U.S.C 633); (2) for all committees other than the Committee on Appropriations, committee allocations consistent with title I for fiscal year 2018 and for the period of fiscal years 2018 through 2027 for the purpose of enforcing 302 of the Congressional Budget Act of 1974 (2 U.S.C 633); and (3) a list of ***programs***, projects, activities, or accounts identified for advance appropriations for the purpose of enforcing section 5104 of this concurrent resolution. SEC. 5207. EXERCISE OF RULEMAKING POWERS. The House of Representatives adopts the provisions of this title and section 2002-- (1) as an exercise of the rulemaking power of the House of Representatives, and as such they shall be considered as part of the rules of the House of Representatives, and such rules shall supersede other rules only to the extent that they are inconsistent with such other rules; and (2) with full recognition of the constitutional right of the House of Representatives to change those rules at any time, in the same manner, and to the same extent as is the case of any other rule of the House of Representatives. Subtitle C--Adjustment Authority SEC. 5301. ADJUSTMENT AUTHORITY FOR AMENDMENTS TO STATUTORY CAPS. During the 115th Congress, if a measure becomes law that amends the discretionary spending limits established under section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C 901(c)), such as a measure increasing the limit for the revised security category for fiscal year 2018 to be $640,000,000,000, the chair of the Committee on the Budget of the House of Representatives may adjust the allocation called for under section 302(a) of the Congressional Budget Act of 1974 (2 U.S.C 633(a)) to the appropriate committee or committees of the House of Representatives, and may adjust all other budgetary aggregates, allocations, levels, and limits contained in this resolution, as necessary, consistent with such measure. Subtitle D--Reserve Funds SEC. 5401. RESERVE FUND FOR COMMERCIALIZATION OF AIR TRAFFIC CONTROL. (a) In General.--In the House of Representatives, the chair of the Committee on the Budget may adjust, at a time the chair deems appropriate, the section 302(a) allocation to the Committee on Transportation and Infrastructure and other applicable committees of the House of Representatives, aggregates, and other appropriate levels established in this concurrent resolution for a bill or joint resolution, or amendment thereto or conference report thereon, that commercializes the operations of the air traffic control system if such measure reduces the discretionary spending limits in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 by the amount that would otherwise be appropriated to the Federal Aviation Administration for air traffic control. Adjustments to the section 302(a) allocation to the Committee on Appropriations, consistent with the adjustments to the discretionary spending limits under such section 251(c), shall only be made upon enactment of such measure. (b) Definition.--For purposes of this section, a measure that commercializes the operations of the air traffic control system shall be a measure that establishes a Federally- chartered, not-for-profit corporation that-- (1) is authorized to provide air traffic control services within the United States airspace; (2) sets user fees to finance its operations; (3) may borrow from private capital markets to finance improvements; (4) is governed by a board of directors composed of a CEO and directors whose fiduciary duty is to the entity; and (5) becomes the employer of those employees directly connected to providing air traffic control services and who the Secretary transfers from the Federal Government. SEC. 5402. RESERVE FUND FOR INVESTMENTS IN NATIONAL INFRASTRUCTURE. In the House of Representatives, the chair of the Committee on the Budget may adjust [[Page S6695]] the allocations, aggregates, and other appropriate levels in this concurrent resolution for any bill or joint resolution, or amendment thereto or conference report thereon, that invests in national infrastructure to the extent that such measure is deficit neutral for the total of fiscal years 2018 through 2027. SEC. 5403. RESERVE FUND FOR COMPREHENSIVE TAX REFORM. In the House of Representatives, if the Committee on Ways and Means reports a bill or joint resolution that provides for comprehensive tax reform, the chair of the Committee on the Budget may adjust the allocations, aggregates, and other appropriate budgetary levels in this concurrent resolution for the budgetary effects of any such bill or joint resolution, or amendment thereto or conference report thereon, if such measure would not increase the deficit for the total of fiscal years 2018 through 2027. SEC. 5404. RESERVE FUND FOR THE STATE CHILDREN'S HEALTH INSURANCE ***PROGRAM***. In the House of Representatives, the chair of the Committee on the Budget may adjust the allocations, budget aggregates and other appropriate levels in this concurrent resolution for the budgetary effects of any bill or joint resolution, or amendment thereto or conference report thereon, that extends the State Children's Health Insurance ***Program*** allotments, if such measure would not increase the deficit for the total of fiscal years 2018 through 2027. SEC. 5405. RESERVE FUND FOR THE REPEAL OR REPLACEMENT OF PRESIDENT OBAMA'S HEALTH CARE LAWS. In the House of Representatives, the chair of the Committee on the Budget may revise the allocations, aggregates, and other appropriate budgetary levels in this concurrent resolution for the budgetary effects of any bill or joint resolution, or amendment thereto or conference report thereon, that repeals or replaces any provision of the Patient Protection and Affordable Care Act or title I or subtitle B of title II of the Health Care and Education Reconciliation Act of 2010 by the amount of budget authority and outlays flowing therefrom provided by such measure for such purpose. \_\_\_\_\_\_ SA 1552. Mr. ENZI (for Mrs. Fischer (for herself and Ms. Collins)) proposed an amendment to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; as follows: At the end of title III, add the following: SEC. 3 \_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TAX REFORM WHICH MAINTAINS THE PROGRESSIVITY OF THE TAX SYSTEM. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to changes in Federal tax laws, which may include tax reform proposals to ensure that the reformed tax code parallels the existing tax code with respect to relative burdens and does not shift the tax burden from high-income to lower- and middle-income taxpayers, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1553. Mr. ENZI (for Mr. Udall (for himself, Mr. Heinrich, and Mr. Bennet)) proposed an amendment to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROVIDING FULL, PERMANENT, AND MANDATORY FUNDING FOR THE PAYMENT IN LIEU OF TAXES ***PROGRAM***. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to providing full, permanent, and mandatory funding for the payment in lieu of taxes ***program*** by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1554. Mr. REED submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PRESCRIPTION DRUG COSTS UNDER THE MEDICARE ***PROGRAM***. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prescription drug costs under the Medicare ***program***, which may include making prescription drugs more affordable for seniors and for taxpayers by requiring the Secretary of Health and Human Services to negotiate prescription drug costs under the Medicare ***program***, particularly with inverted corporations that benefit from Medicare ***program*** reimbursements, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1555. Mr. FRANKEN (for himself and Ms. Baldwin) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO CLOSING THE CARRIED INTEREST LOOPHOLE. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the taxation of income from investment partnerships (known as carried interest), which may include legislation that allows for the taxing as ordinary income of a partner's share of income on an investment services partnership interest, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1556. Mr. FRANKEN (for himself and Mr. Casey) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-REDUCTION RESERVE FUND RELATING TO PREVENTING WORKER MISCLASSIFICATION. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to ensuring that workers are appropriately classified as employees or independent contractors for purposes of labor law and payroll taxes, by the amounts provided in such legislation for those purposes, provided that such legislation would reduce the deficit over both the period of the total of fiscal years 2018 through 2022 and the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1557. Mr. FRANKEN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PUBLIC- PRIVATE PARTNERSHIPS FOR JOB TRAINING. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, [[Page S6696]] joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to employment and job growth, which may include ***programs*** that encourage job training partnerships between businesses, educational institutions, and the workforce development system, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1558. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO THE DISCHARGE OF FEDERAL AND PRIVATE STUDENT LOANS IN BANKRUPTCY. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to bankruptcy discharge in order to allow Federal and private student loan borrowers to discharge their student loans in bankruptcy, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1559. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO STUDENT LOAN REFINANCING. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to student loan refinancing to help middle class families and borrowers with outstanding Federal and private student loans to refinance at the equivalent interest rates that were offered to Federal student loan borrowers during the 2016- 2017 school year and to fully offset the cost of such a ***program*** by requiring millionaires to pay at least a 30 percent effective Federal tax rate, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1560. Ms. WARREN (for herself and Mr. Brown) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO FEDERAL STUDENT LOAN BORROWERS ELIGIBLE FOR A BORROWER DEFENSE TO REPAYMENT. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to Federal student loan borrowers eligible for a borrower defense to repayment in order to automatically discharge the total amount of Federal student loans of all borrowers who attended Corinthian Colleges or ITT Educational Services, and all other Federal student loan borrowers eligible for a borrower defense to repayment under section 455(h) of the Higher Education Act of 1965 (20 U.S.C 1087e(h)), by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1561. Mr. ENZI proposed an amendment to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; as follows: At the end, add the following: TITLE V--BUDGET PROCESS IN THE HOUSE OF REPRESENTATIVES Subtitle A--Budget Enforcement SEC. 5101. POINT OF ORDER AGAINST INCREASING LONG-TERM DIRECT SPENDING. (a) Point of Order.--It shall not be in order in the House of Representatives to consider any bill or joint resolution, or amendment thereto or conference report thereon, that would cause a net increase in direct spending in excess of $2,500,000,000 in any of the 4 consecutive 10-fiscal year periods described in subsection (b). (b) Congressional Budget Office Analysis of Proposals.--The Director of the Congressional Budget Office shall, to the extent practicable, prepare an estimate of whether a bill or joint resolution reported by a committee (other than the Committee on Appropriations), or amendment thereto or conference report thereon, would cause, relative to current law, a net increase in direct spending in the House of Representatives, in excess of $2,500,000,000 in any of the 4 consecutive 10-fiscal year periods beginning after the last fiscal year of this concurrent resolution. (c) Limitation.--In the House of Representatives, the provisions of this section shall not apply to any bills or joint resolutions, or amendments thereto or conference reports thereon, for which the chair of the Committee on the Budget has made adjustments to the allocations, aggregates, or other budgetary levels in this concurrent resolution. (d) Determinations of Budget Levels.--For purposes of this section, the levels of net increases in direct spending shall be determined on the basis of estimates provided by the chair of the Committee on the Budget of the House of Representatives. (e) Sunset.--This section shall have no force or effect after September 30, 2018. SEC. 5102. ALLOCATION FOR OVERSEAS CONTINGENCY OPERATIONS/ GLOBAL WAR ON TERRORISM. (a) Separate Allocation for Overseas Contingency Operations/Global War on Terrorism.--In the House of Representatives, there shall be a separate allocation of new budget authority and outlays provided to the Committee on Appropriations for the purposes of Overseas Contingency Operations/Global War on Terrorism, which shall be deemed to be an allocation under section 302(a) of the Congressional Budget Act of 1974. Section 302(a)(3) of such Act shall not apply to such separate allocation. (b) Section 302 Allocations.--The separate allocation referred to in subsection (a) shall be the exclusive allocation for Overseas Contingency Operations/Global War on Terrorism under section 302(b) of the Congressional Budget Act of 1974. The Committee on Appropriations of the House of Representatives may provide suballocations of such separate allocation under such section 302(b). (c) Application.--For purposes of enforcing the separate allocation referred to in subsection (a) under section 302(f) of the Congressional Budget Act of 1974, the ``first fiscal year'' and the ``total of fiscal years'' shall be deemed to refer to fiscal year 2018. Section 302(c) of such Act shall not apply to such separate allocation. (d) Designations.--New budget authority or outlays shall only be counted toward the allocation referred to in subsection (a) if designated pursuant to section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. (e) Adjustments.--For purposes of subsection (a) for fiscal year 2018, no adjustment shall be made under section 314(a) of the Congressional Budget Act of 1974 if any adjustment would be made under section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985. SEC. 5103. LIMITATION ON CHANGES IN CERTAIN MANDATORY ***PROGRAMS***. (a) Definition.--In this section, the term ``change in mandatory ***programs***'' means a provision that-- (1) would have been estimated as affecting direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002) if the provision were included in legislation other than appropriation Acts; and (2) results in a net decrease in budget authority in the budget year, but does not result in a net decrease in outlays over the total of the current year, the budget year, and all fiscal years covered under the most recently agreed to concurrent resolution on the budget. (b) Point of Order in the House of Representatives.-- (1) In general.--A provision in a bill or joint resolution making appropriations for a full fiscal year that proposes a change in mandatory ***programs*** that, if enacted, would cause the absolute value of the total budget authority of all such changes in mandatory ***programs*** enacted in relation to a full fiscal year to be more than the amount specified in [[Page S6697]] paragraph (3), shall not be in order in the House of Representatives. (2) Amendments and conference reports.--It shall not be in order in the House of Representatives to consider an amendment to, or a conference report on, a bill or joint resolution making appropriations for a full fiscal year if such amendment thereto or conference report thereon proposes a change in mandatory ***programs*** that, if enacted, would cause the absolute value of the total budget authority of all such changes in mandatory ***programs*** enacted in relation to a full fiscal year to be more than the amount specified in paragraph (3). (3) Amount.--The amount specified in this paragraph is-- (A) for fiscal year 2018, $19,100,000,000; (B) for fiscal year 2019, $17,000,000,000; and (C) for fiscal year 2020, $15,000,000,000. (c) Determination.--For purposes of this section, budgetary levels shall be determined on the basis of estimates provided by the chair of the Committee on the Budget of the House of Representatives. SEC. 5104. LIMITATION ON ADVANCE APPROPRIATIONS. (a) In General.--In the House of Representatives, except as provided for in subsection (b), any general appropriation bill or bill or joint resolution continuing appropriations, or amendment thereto or conference report thereon, may not provide advance appropriations. (b) Exceptions.--An advance appropriation may be provided for ***programs***, projects, activities, or accounts identified in the report or the joint explanatory statement of managers, as applicable, accompanying this concurrent resolution under the following headings: (1) General.--``Accounts Identified for Advance Appropriations''. (2) Veterans.--``Veterans Accounts Identified for Advance Appropriations''. (c) Limitations.--The aggregate level of advance appropriations shall not exceed the following: (1) General.--$28,852,000,000 in new budget authority for all ***programs*** identified pursuant to subsection (b)(1). (2) Veterans.--$70,699,313,000 in new budget authority for ***programs*** in the Department of Veterans Affairs identified pursuant to subsection (b)(2). (d) Definition.--In this section, the term ``advance appropriation'' means any new discretionary budget authority provided in a general appropriation bill or joint resolution continuing appropriations for fiscal year 2018, or any amendment thereto or conference report thereon, that first becomes available for the first fiscal year following fiscal year 2018. SEC. 5105. ESTIMATES OF DEBT SERVICE COSTS. In the House of Representatives, the chair of the Committee on the Budget may direct the Congressional Budget Office to include, in any estimate prepared under section 402 of the Congressional Budget Act of 1974 with respect to any bill or joint resolution, an estimate of any change in debt service costs resulting from carrying out such bill or resolution. Any estimate of debt service costs provided under this section shall be advisory and shall not be used for purposes of enforcement of such Act, the Rules of the House of Representatives, or this concurrent resolution. This section shall not apply to authorizations of ***programs*** funded by discretionary spending or to appropriation bills or joint resolutions, but shall apply to changes in the authorization level of appropriated entitlements. SEC. 5106. FAIR-VALUE CREDIT ESTIMATES. (a) All Credit ***Programs***.--Whenever the Director of the Congressional Budget Office provides an estimate of any measure that establishes or modifies any ***program*** providing loans or loan guarantees, the Director shall also, to the extent practicable, provide a fair-value estimate of such loan or loan guarantee ***program*** if requested by the chair of the Committee on the Budget of the House of Representatives. (b) Student Financial Assistance and Housing ***Programs***.--The Director of the Congressional Budget Office shall provide, to the extent practicable, a fair-value estimate as part of any estimate for any measure that establishes or modifies a loan or loan guarantee ***program*** for student financial assistance or housing (including residential mortgage). (c) Baseline Estimates.--The Congressional Budget Office shall include estimates, on a fair-value and credit reform basis, of loan and loan guarantee ***programs*** for student financial assistance, housing (including residential mortgage), and such other major loan and loan guarantee ***programs***, as practicable, in its The Budget and Economic Outlook: 2018 to 2027. (d) Enforcement in the House of Representatives.--If the Director of the Congressional Budget Office provides an estimate pursuant to subsection (a) or (b), the chair of the Committee on the Budget of the House of Representatives may use such estimate to determine compliance with the Congressional Budget Act of 1974 and other budget enforcement requirements. SEC. 5107. ESTIMATES OF MACROECONOMIC EFFECTS OF MAJOR LEGISLATION. (a) CBO and JCT Estimates.--During the 115th Congress, any estimate of major legislation considered in the House of Representatives provided by the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 or by the Joint Committee on Taxation to the Congressional Budget Office under section 201(f) of such Act shall, to the extent practicable, incorporate the budgetary effects of changes in economic output, employment, capital stock, and other macroeconomic variables resulting from such major legislation. (b) Contents.--Any estimate referred to in subsection (a) shall, to the extent practicable, include-- (1) a qualitative assessment of the budgetary effects (including macroeconomic variables described in subsection (a)) of the major legislation in the 20-fiscal year period beginning after the last fiscal year of the most recently agreed to concurrent resolution on the budget that sets forth budgetary levels required under section 301 of the Congressional Budget Act of 1974; and (2) an identification of the critical assumptions and the source of data underlying that estimate. (c) Definitions.--In this section: (1) Major legislation.--The term ``major legislation'' means a bill or joint resolution, or amendment thereto or conference report thereon-- (A) for which an estimate is required to be prepared pursuant to section 402 of the Congressional Budget Act of 1974 (2 U.S.C 653) and that causes a gross budgetary effect (before incorporating macroeconomic effects and not including timing shifts) in a fiscal year in the period of years of the most recently agreed to concurrent resolution on the budget equal to or greater than 0.25 percent of the current projected gross domestic product of the United States for that fiscal year; or (B) designated as such by-- (i) the chair of the Committee on the Budget of the House of Representatives for all direct spending legislation; or (ii) the Member who is Chairman or Vice Chairman of the Joint Committee on Taxation for revenue legislation. (2) Budgetary effects.--The term ``budgetary effects'' means changes in revenues, direct spending outlays, and deficits. (3) Timing shifts.--The term ``timing shifts'' means-- (A) provisions that cause a delay of the date on which outlays flowing from direct spending would otherwise occur from one fiscal year to the next fiscal year; or (B) provisions that cause an acceleration of the date on which revenues would otherwise occur from one fiscal year to the prior fiscal year. SEC. 5108. ADJUSTMENTS FOR IMPROVED CONTROL OF BUDGETARY RESOURCES. (a) Adjustments of Discretionary and Direct Spending Levels.--In the House of Representatives, if a committee (other than the Committee on Appropriations) reports a bill or joint resolution, or an amendment thereto is offered or conference report thereon is submitted, providing for a decrease in direct spending (budget authority and outlays flowing therefrom) for any fiscal year and also provides for an authorization of appropriations for the same purpose, upon the enactment of such measure, the chair of the Committee on the Budget may decrease the allocation to the applicable authorizing committee that reports such measure and increase the allocation of discretionary spending (budget authority and outlays flowing therefrom) to the Committee on Appropriations for fiscal year 2018 by an amount equal to the new budget authority (and outlays flowing therefrom) provided for in a bill or joint resolution making appropriations for the same purpose. (b) Determinations.--In the House of Representatives, for purposes of enforcing this concurrent resolution, the allocations and aggregate levels of new budget authority, outlays, direct spending, revenues, deficits, and surpluses for fiscal year 2018 and the total of fiscal years 2018 through 2027 shall be determined on the basis of estimates made by the chair of the Committee on the Budget and such chair may adjust the applicable levels in this concurrent resolution. SEC. 5109. SCORING RULE FOR ENERGY SAVINGS PERFORMANCE CONTRACTS. (a) In General.--The Director of the Congressional Budget Office shall estimate provisions of any bill or joint resolution, or amendment thereto or conference report thereon, that provides the authority to enter into or modify any covered energy savings contract on a net present value basis (NPV). (b) NPV Calculations.--The net present value of any covered energy savings contract shall be calculated as follows: (1) The discount rate shall reflect market risk. (2) The cash flows shall include, whether classified as mandatory or discretionary, payments to contractors under the terms of their contracts, payments to contractors for other services, and direct savings in energy and energy-related costs. (3) The stream of payments shall cover the period covered by the contracts but not to exceed 25 years. (c) Definition.--As used in this section, the term ``covered energy savings contract'' means-- (1) an energy savings performance contract authorized under section 801 of the National Energy Conservation Policy Act; or (2) a utility energy service contract, as described in the Office of Management and Budget Memorandum on Federal Use of Energy Savings Performance Contracting, dated July 25, 1998 (M-98-13), and the Office of Management and Budget Memorandum on the Federal Use of Energy Saving Performance Contracts and Utility Energy Service Contracts, dated September 28, 2015 (M-12-21), or any successor to either memorandum. [[Page S6698]] (d) Enforcement in the House of Representatives.--In the House of Representatives, if any net present value of any covered energy savings contract calculated under subsection (b) results in a net savings, then the budgetary effects of such contract shall not be counted for purposes of titles III and IV of the Congressional Budget Act of 1974, this concurrent resolution, or clause 10 of rule XXI of the Rules of the House of Representatives. (e) Classification of Spending.--For purposes of budget enforcement, the estimated net present value of the budget authority provided by the measure, and outlays flowing therefrom, shall be classified as direct spending. (f) Sense of the House of Representatives.--It is the sense of the House of Representatives that-- (1) the Director of the Office of Management and Budget, in consultation with the Director of the Congressional Budget Office, should separately identify the cash flows under subsection (b)(2) and include such information in the President's annual budget submission under section 1105(a) of title 31, United States Code; and (2) the scoring method used in this section should not be used to score any contracts other than covered energy savings contracts. SEC. 5110. LIMITATION ON TRANSFERS FROM THE GENERAL FUND OF THE TREASURY TO THE HIGHWAY TRUST FUND. In the House of Representatives, for purposes of the Congressional Budget Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the rules or orders of the House of Representatives, a bill or joint resolution, or an amendment thereto or conference report thereon, that transfers funds from the general fund of the Treasury to the Highway Trust Fund shall be counted as new budget authority and outlays equal to the amount of the transfer in the fiscal year the transfer occurs. SEC. 5111. PROHIBITION ON USE OF FEDERAL RESERVE SURPLUSES AS AN OFFSET. In the House of Representatives, any provision of a bill or joint resolution, or amendment thereto or conference report thereon, that transfers any portion of the net surplus of the Federal Reserve System to the general fund of the Treasury shall not be counted for purposes of enforcing the Congressional Budget Act of 1974, this concurrent resolution, or clause 10 of rule XXI of the Rules of the House of Representatives. SEC. 5112. PROHIBITION ON USE OF GUARANTEE FEES AS AN OFFSET. In the House of Representatives, any provision of a bill or joint resolution, or amendment thereto or conference report thereon, that increases, or extends the increase of, any guarantee fees of the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) shall not be counted for purposes of enforcing the Congressional Budget Act of 1974, this concurrent resolution, or clause 10 of rule XXI of the Rules of the House of Representatives. SEC. 5113. MODIFICATION OF RECONCILIATION IN THE HOUSE OF REPRESENTATIVES. (a) In General.--Section 2002 shall have no force or effect. (b) Reconciliation in the House of Representatives.--Not later than November 13, 2017, the Committee on Ways and Means of the House of Representatives shall report to the House of Representatives changes in laws within its jurisdiction that increase the deficit by not more than $1,500,000,000,000 for the period of fiscal years 2018 through 2027. Subtitle B--Other Provisions SEC. 5201. BUDGETARY TREATMENT OF ADMINISTRATIVE EXPENSES. (a) In General.--In the House of Representatives, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974, section 13301 of the Budget Enforcement Act of 1990, and section 2009a of title 39, United States Code, the report or the joint explanatory statement, as applicable, accompanying this concurrent resolution shall include in its allocation to the Committee on Appropriations under section 302(a) of the Congressional Budget Act of 1974 amounts for the discretionary administrative expenses of the Social Security Administration and the United States Postal Service. (b) Special Rule.--In the House of Representatives, for purposes of enforcing section 302(f) of the Congressional Budget Act of 1974, estimates of the levels of total new budget authority and total outlays provided by a measure shall include any discretionary amounts described in subsection (a). SEC. 5202. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES. (a) Application.--In the House of Representatives, any adjustments of the allocations, aggregates, and other budgetary levels made pursuant to this concurrent resolution shall-- (1) apply while that measure is under consideration; (2) take effect upon the enactment of that measure; and (3) be published in the Congressional Record as soon as practicable. (b) Effect of Changed Allocations and Aggregates.--Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as the allocations and aggregates contained in this concurrent resolution. (c) Budget Committee Determinations.--For purposes of this concurrent resolution, the budgetary levels for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the chair of the Committee on the Budget of the House of Representatives. (d) Aggregates, Allocations and Application.--In the House of Representatives, for purposes of this concurrent resolution and budget enforcement, the consideration of any bill or joint resolution, or amendment thereto or conference report thereon, for which the chair of the Committee on the Budget makes adjustments or revisions in the allocations, aggregates, and other budgetary levels of this concurrent resolution shall not be subject to the points of order set forth in clause 10 of rule XXI of the Rules of the House of Representatives or section 5101 of this concurrent resolution. (e) Other Adjustments.--The chair of the Committee on the Budget of the House of Representatives may adjust other appropriate levels in this concurrent resolution depending on congressional action on pending reconciliation legislation. SEC. 5203. ADJUSTMENTS TO REFLECT CHANGES IN CONCEPTS AND DEFINITIONS. In the House of Representatives, the chair of the Committee on the Budget may adjust the appropriate aggregates, allocations, and other budgetary levels in this concurrent resolution for any change in budgetary concepts and definitions consistent with section 251(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985. SEC. 5204. ADJUSTMENT FOR CHANGES IN THE BASELINE. In the House of Representatives, the chair of the Committee on the Budget may adjust the allocations, aggregates, reconciliation targets, and other appropriate budgetary levels in this concurrent resolution to reflect changes resulting from the Congressional Budget Office's update to its baseline for fiscal years 2018 through 2027. SEC. 5205. APPLICATION OF RULE REGARDING LIMITS ON DISCRETIONARY SPENDING. Section 314(f) of the Congressional Budget Act of 1974 shall not apply in the House of Representatives to any bill, joint resolution, or amendment that provides new budget authority for a fiscal year or to any conference report on any such bill or resolution if-- (1) the enactment of that bill or resolution; (2) the adoption and enactment of that amendment; or (3) the enactment of that bill or resolution in the form recommended in that conference report, would not cause the 302(a) allocation to the Committee on Appropriations for fiscal year 2018 to be exceeded. SEC. 5206. ENFORCEMENT FILING IN THE HOUSE. In the House of Representatives, if a concurrent resolution on the budget for fiscal year 2018 is adopted without the appointment of a committee of conference on the disagreeing votes of the two Houses with respect to this concurrent resolution on the budget, for the purpose of enforcing the Congressional Budget Act of 1974 and applicable rules and requirements set forth in the concurrent resolution on the budget, the allocations and list provided for in this section shall apply in the House of Representatives in the same manner as if such allocations and list were in a joint explanatory statement accompanying a conference report on the budget for fiscal year 2018. The chair of the Committee on the Budget of the House of Representatives shall submit a statement for publication in the Congressional Record containing-- (1) for the Committee on Appropriations, committee allocations for fiscal year 2018 consistent with title I for the purpose of enforcing section 302 of the Congressional Budget Act of 1974 (2 U.S.C 633); (2) for all committees other than the Committee on Appropriations, committee allocations consistent with title I for fiscal year 2018 and for the period of fiscal years 2018 through 2027 for the purpose of enforcing 302 of the Congressional Budget Act of 1974 (2 U.S.C 633); and (3) a list of ***programs***, projects, activities, or accounts identified for advance appropriations for the purpose of enforcing section 5104 of this concurrent resolution. SEC. 5207. EXERCISE OF RULEMAKING POWERS. The House of Representatives adopts the provisions of this title and section 2002-- (1) as an exercise of the rulemaking power of the House of Representatives, and as such they shall be considered as part of the rules of the House of Representatives, and such rules shall supersede other rules only to the extent that they are inconsistent with such other rules; and (2) with full recognition of the constitutional right of the House of Representatives to change those rules at any time, in the same manner, and to the same extent as is the case of any other rule of the House of Representatives. Subtitle C--Adjustment Authority SEC. 5301. ADJUSTMENT AUTHORITY FOR AMENDMENTS TO STATUTORY CAPS. During the 115th Congress, if a measure becomes law that amends the discretionary spending limits established under section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C 901(c)), such as a measure increasing the limit for the revised security category for fiscal year 2018 to be $640,000,000,000, the chair of the [[Page S6699]] Committee on the Budget of the House of Representatives may adjust the allocation called for under section 302(a) of the Congressional Budget Act of 1974 (2 U.S.C 633(a)) to the appropriate committee or committees of the House of Representatives, and may adjust all other budgetary aggregates, allocations, levels, and limits contained in this resolution, as necessary, consistent with such measure. Subtitle D--Reserve Funds SEC. 5401. RESERVE FUND FOR INVESTMENTS IN NATIONAL INFRASTRUCTURE. In the House of Representatives, the chair of the Committee on the Budget may adjust the allocations, aggregates, and other appropriate levels in this concurrent resolution for any bill or joint resolution, or amendment thereto or conference report thereon, that invests in national infrastructure to the extent that such measure is deficit neutral for the total of fiscal years 2018 through 2027. SEC. 5402. RESERVE FUND FOR COMPREHENSIVE TAX REFORM. In the House of Representatives, if the Committee on Ways and Means reports a bill or joint resolution that provides for comprehensive tax reform, the chair of the Committee on the Budget may adjust the allocations, aggregates, and other appropriate budgetary levels in this concurrent resolution for the budgetary effects of any such bill or joint resolution, or amendment thereto or conference report thereon, if such measure would not increase the deficit for the total of fiscal years 2018 through 2027. SEC. 5403. RESERVE FUND FOR THE STATE CHILDREN'S HEALTH INSURANCE ***PROGRAM***. In the House of Representatives, the chair of the Committee on the Budget may adjust the allocations, budget aggregates and other appropriate levels in this concurrent resolution for the budgetary effects of any bill or joint resolution, or amendment thereto or conference report thereon, that extends the State Children's Health Insurance ***Program*** allotments, if such measure would not increase the deficit for the total of fiscal years 2018 through 2027. SEC. 5404. RESERVE FUND FOR THE REPEAL OR REPLACEMENT OF PRESIDENT OBAMA'S HEALTH CARE LAWS. In the House of Representatives, the chair of the Committee on the Budget may revise the allocations, aggregates, and other appropriate budgetary levels in this concurrent resolution for the budgetary effects of any bill or joint resolution, or amendment thereto or conference report thereon, that repeals or replaces any provision of the Patient Protection and Affordable Care Act or title I or subtitle B of title II of the Health Care and Education Reconciliation Act of 2010 by the amount of budget authority and outlays flowing therefrom provided by such measure for such purpose. \_\_\_\_\_\_ SA 1562. Mr. MERKLEY (for himself, Ms. Collins, Ms. Baldwin, and Mr. Booker) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROHIBITING DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION OR GENDER IDENTITY. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports, relating to prohibiting discrimination, such as in employment, federally funded ***programs*** and activities, public accommodations, education, housing, jury selection, or access to credit, against individuals on the basis of sexual orientation or gender identity, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1563. Mr. LEE submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO NULLIFYING CERTAIN CIVIL ASSET FORFEITURE ORDERS ISSUED BY THE ATTORNEY GENERAL. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to nullifying any order implementing adoptive forfeiture practices, which may include the order entitled, ``Federal Forfeiture of Property Seized by State and Local Law Enforcement Agencies'' (Order No. 3946-2017, dated July 19, 2017), by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1564. Mr. REED submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO REDUCING THE GEOGRAPHIC IMBALANCE IN FEDERAL RESEARCH FUNDING AND IMPROVING RESEARCH INFRASTRUCTURE AND CAPACITY THROUGHOUT THE STATES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to the Established ***Program*** to Stimulate Competitive Research (commonly known as ``ESPCoR''), which may include support for States and jurisdictions that are historically underserved by Federal research and development funding, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1565. Mr. BROWN (for himself, Mr. Reed, and Mr. Menendez) submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ENDING CHILDHOOD LEAD POISONING. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports, relating to making additional investments to end the tragedy of childhood lead poisoning and avoid related preventable medical, educational, criminal justice, and other costs, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1566. Mr. BROWN submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ADDRESSING THE AFFORDABLE HOUSING NEEDS OF FAMILIES, VETERANS, INDIVIDUALS WITH DISABILITIES, AND SENIORS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to legislation to preserve existing affordable rental housing and create additional affordable housing opportunities for families, veterans, individuals with disabilities, and seniors, including the 11,000,000 renter households paying more than half of their income toward housing, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. [[Page S6700]] \_\_\_\_\_\_ SA 1567. Ms. KLOBUCHAR submitted an amendment intended to be proposed to amendment SA 1116 proposed by Mr. Enzi to the concurrent resolution H. Con. Res. 71, establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027; which was ordered to lie on the table; as follows: At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO LOWERING PRESCRIPTION DRUG PRICES BY LIFTING THE BAN ON MEDICARE NEGOTIATING PART D PRESCRIPTION DRUG PRICES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to lowering prescription drug prices by lifting the ban that makes it illegal for Medicare to negotiate prescription drug prices on behalf of millions of seniors by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. \_\_\_\_\_\_ SA 1568. Mr. McCONNELL proposed an amendment to the bill H.R 2266, to amend title 28 of the United States Code to authorize the appointment of additional bankruptcy judges; and for other purposes; as follows: At the end add the following. ``This Act shall take effect 1 day after the date of enactment.'' \_\_\_\_\_\_ SA 1569. Mr. McCONNELL proposed an amendment to amendment SA 1568 proposed by Mr. McConnell to the bill H.R 2266, to amend title 28 of the United States Code to authorize the appointment of additional bankruptcy judges; and for other purposes; as follows: Strike ``1 day'' and insert ``2 days'' \_\_\_\_\_\_ SA 1570. Mr. McCONNELL proposed an amendment to the bill H.R 2266, to amend title 28 of the United States Code to authorize the appointment of additional bankruptcy judges; and for other purposes; as follows: At the end add the following. ``This Act shall take effect 3 days after the date of enactment.'' \_\_\_\_\_\_ SA 1571. Mr. McCONNELL proposed an amendment to amendment SA 1570 proposed by Mr. McConnell to the bill H.R 2266, to amend title 28 of the United States Code to authorize the appointment of additional bankruptcy judges; and for other purposes; as follows: Strike ``3 days'' and insert ``4 days'' \_\_\_\_\_\_ SA 1572. Mr. McCONNELL proposed an amendment to amendment SA 1571 proposed by Mr. McConnell to the amendment SA 1570 proposed by Mr. McConnell to the bill H.R 2266, to amend title 28 of the United States Code to authorize the appointment of additional bankruptcy judges; as follows: Strike ``4'' and insert ``5''

**Load-Date:** October 23, 2017

**End of Document**



[***Cassini posts quarterly activities report for period ended March 31, 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S7P-06X1-JC0X-H09G-00000-00&context=1516831)

MarketLine NewsWire (Formerly Datamonitor)

April 30, 2018 Monday 12:00 AM GMT

Copyright 2018 MarketLine All Rights Reserved



**Section:** METALS AND MINING

**Length:** 2219 words

**Highlight:** Cassini Resources (Cassini) has reported on the significant milestones achieved at its development and exploration projects during the March 2018 Quarter.

**Body**

West Musgrave Project (CZI 100%, OZL earning up to 70%)Nebo Babel Pre- Feasibility Study ProgressThe Pre- Feasibility Study (PFS) commenced in November 2017 and is expected to take a maximum of 18 months to complete. The exploration camp has been re- opened and expanded to accommodate the increased le vel of activity on site during the PFS. Two diamond rigs are currently working double shift to ***produce*** sample for the next phase of metallurgical optimisation, while advanced test work has already begun on samples remaining from the 2017 ***program***. Test work will focus on potential nickel and copper recovery improvements identified during the Scoping Study.Meanwhile, resource infill and extension drilling has recently commenced with two additional RC rigs now on -site. First results of RC drilling will likely be available from the beginning of June.Gravity and passive seismic surveys have been completed to assist targeting of water exploration drilling later in 2018. De- risking of water supply for processing is a key outcome of the PFS.

Cassini staff recently convened a community meeting at West Musgrave together with OZ Minerals representatives, to provide local stakeholders with an overview of the activities taking place over the next 12 months as part of the PFS. The team will be working closely with the Government and Traditional Owners to understand the region and ***plan*** the next stages of the project.Other activities over the coming months include:Installation of a wind mast for the collection of data to determine the benefits of the addition of wind energy into renewable energy programFlora and fauna surveys as required for environmental approvalsHeritage surveys focussing on the development footprint and infrastructure corridorsRegional Exploration UpdateThe West Musgrave JV partners have a ***strategic*** goal of identifying additional high- value ore to complement the development of the Nebo- Babel Deposits. To achieve this, the Company has a number of priority targets with the potential for providing high- grade nickel and/or copper mineralisation.The immediate priorities for 2018 will be to follow -up the One Tree Hill discovery made in 2017, the Yappsu Prospect, a "Nebo look -a-like", and high grade extensions identified at Babel. The Company expects this to be the start of a long and successful exploration campaign that will ultimately support the project beyond the development of the Nebo- Babel deposits. With over 40km of strike there are numerous opportunities for further discovery. Surface moving loop (MLEM) and downhole electromagnetic (DHEM) surveys have commenced at exploration targets One Tree Hill, Yappsu and Succoth with a 3rd diamond rig arriving in early May to assist with exploration drilling.Yappsu ProspectFollowing extensive review of historical drill and geophysical databases, the Yappsu Prospect has been identified as a priority exploration target. Discovered in 2009, drilling initially targeted a surface moving loop electro- magnetic (MLEM) anomaly, with several holes intersecting a thick zone of disseminated mineral isation and importantly, including zones of high- grade massive to breccia nickel sulphides. Platinum and palladium grades are significantly higher than Nebo and Babel and are potentially indicative of a higher tenor system.Review and remodelling of the ex isting down -hole EM (DHEM) data resulted in a best fit to the data comprising three conductive plates. Importantly, the modelling indicates the known drill hole intersections of conductive massive sulphide from Yappsu represent intersections whi ch have just clipped the margins of the modelled plate anomalies. Plate B has no drill hole pierce point, and is thus completely untested. The implication of this re- modelling exercise is that the core zones of the plates, all of which exhibit high modelled conductance, may consist of thicker and higher grade massive/matrix sulphide mineralisation. Confirmation of this by drill testing could result in a significant upgrading of Yappsu. Concurrently, a new high- powered MLEM survey will be employed to identify new conductors along strike and down plunge, providing greater coverage and penetration than historical systems.Babel BW3Conductor While development studies are underway at Nebo- Babel, a number of potential opportunities to find high -grade extensions to mineralisation will also be tested. The BW3 conductor is a DHEM anomaly generated from hole WMN4049 which intersected 25.1m @ 0.94% N i & 0.94% Cu. BW3 is the highest conductance DHEM plate in the entire Babel deposit and strikes over 300m, extending 230m to the west of WMN4049 which has not had any further drill testing. The limit to the extent of the BW3 plate model is only constrained by distance from adjacent holes.Therefore, there is no conceptual reason why this mineralisation could not continue down- plunge. The BW3 conductor is interpreted as an extension of the Startmeup Shoot, a shallow, high- grade mineralised zone located on the northwest margin of the Babel deposit. The 2017 RC drill ***programme*** targeted several EM features to the west of the Startmeup shoot with limited success. Subsequent interpretation has identified a potential north- trending fault, that has down- thrown the Startmeup shoot in the west to the location where mineralisation was intersected in WMN4049. While the BW3 target is a relatively deep occurrence, its high- grade nature may provide an economic underground mining option.One Tree Hill ProspectIn early 2017, the Company announced the discovery of significant copper mineralisation at One Tree Hill, approximately 13km southwest of Nebo- Babel. This was only the 5 th hole at the p rospect targeting an off -hole conductor from an earlier hole drilled by Cassini in 2015. Drill hole CZD0017 intersected a massive sulphide zone returning 3.2m @ 2.16% Cu, 0.58% Ni, 0.10% Co and 1.0g/t PGE within a broader disseminated zone of 34m @ 1.05% C u + 0.5 g/t PGE. An upper or hangingwall zone returned an intercept of 13.4m @ 0.85% Cu from 129.6m, including 1.6m @ 2.76% Cu from 134.9m.Almost the entire hole is copper anomalous (>250ppm) with numerous spikes of strong PGE anomalism (~0.1 g /t). The significant widths and particularly concentrations of PGEs which are associated with >30m Cu intersection are all considered hallmarks of a much larger magmatic mineralised system. Mineralisation is open in most directions and therefore DHEM and s urface MLEM will be completed initially to assist with drill targeting. Although Ni concentrations in the massive sulphides at One Tree Hill are low, presence of higher grade Ni zones within a potentially much larger mineralised system are possible, as has previously been invoked for the Succoth deposit.Other ActivitiesFurther interpretation of Succoth is underway to determine the potential for high- grade mineralisation and/or nickel mineralisation. The large copper resource at Succoth provides several development options to complement Nebo- Babel and provides enormous leverage to the copper market. The Company is continuing to review the historical drill database, containing over 225,000m, to gener ate the next round of exploration targets.West Arunta Project (100% CZI)The West Arunta Project is a highly prospective base and precious metals target in an underexplored region near Lake McKay in Western Australia. Cassini is targeting large- scale, s edimentary Zn- Pb mineralisation, similar to those deposits found in the Mt Isa region in Queensland.A high -resolution, helicopter -borne, Airborne Electromagnetic (AEM) survey was completed during the Quarter. Drilling by Cassini in 2016 tested several zinc anomalous outcrops identified through surface mapping and sampling (Figure 7). This drilling suggested that the West Arunta has potential to host sedimentary zinc mineralisation, although the zinc anomalous outcrops were interpreted to be the result o f hydromorphic dispersion in the regolith from a nearby primary source.The Company engaged independent contractor NRG to fly their Xcite system, over the entire prospective horizon, striking over 35km, for a total of 1,000 line km. The survey will assist with mapping the regolith profile and the definition of key prospective stratigraphic positions, as well as potentially directly identifying base metal mineralisation.With the long -term outlook for the zinc price to remain strong due to current supply deficits, the West Arunta Zinc Project remains a key exploration asset for the Company. Cassini has a "first -mover" advantage, due to minimal historic exploration in the r egion and has built this project from conceptual model to proof -of-concept over the past few years. The Company looks forward to this exciting exploration phase of identifying primary sedimentary zinc mineralisation. Final results and interpretation of the AEM survey remain pending. The Company has also won funding through the WA Government Exploration Incentive Scheme for co- funded drilling at the Janus gravity anomaly (Figure 9) which the Company believes may represent a dense body of base metal mineralis ation, close to the anomalous surface Zn enrichment at the Enceladus Prospect. The Company ***plans*** to complete this drilling by the end of June 2018 following completion of heritage surveys in May.Yarawindah Brook Ni -Cu -Co Project (CZI option to acquire 80% )Cassini has entered an option agreement to earn into the Yarawindah Brook Project through private company Souwest Metals Pty Ltd (Souwe st), a company associated with Kalgoorlie prospector Mr Scott Wilson. Yarawindah Brook is located 130km northeast of Perth, in ***agricultural*** land near the township of New Norcia.The Project has had only limited nickel, copper and cobalt exploration despit e a favourable regional setting, prospective geology and near -surface occurrences of nickel and copper. Historic exploration has focussed primarily on a small platinum and palladium (PGE's) resource which the Company views as a "path- finder" anomaly for massive nickel - copper cobalt sulphides. Exploration for nickel and copper has been sporadic, however the most recent drilling in 2007 targeting surface EM anomalies, returned encouraging results from hole YWRC0083 including 7m @ 1.30% Ni, 0.22% Cu, 0.06% Co and 432ppb Pd from 74m.Despite the promising result no further follow -up drilling was conducted due to budget limitations of the previous operator during the exploration downturn post -GFC. Historic drilling has identified primary nickel and copper mineralisation over a strike length of at least 2km, with only a handful of these holes deeper than 100m. In addition, reconnaissance rock chip sampling has identified other anomalous nickel outcrops on the project that are yet to be drilled. Rock chip samples have reached up to 0.49% Ni.Cassini has taken an option to earn an 80% equity interest in the project through payment of an Option Fee of $50,000 (including reimbursement of costs) and committing to spend a minimum of $250,000 on the project prior to 30 March 2019. If Cassini decide to progress and acquire 80% of the shares in Souwest, a further payment of $300,000 in cash or Cassini shares (at Cassini's election) will be made. Souwest will be free -carried until a decision to mine is made. Work ***Program*** Cassini has compiled all previous drilling as well as numerous geophysical surveys into a consolidated database. Re- modelling of this data has shown that a number of EM conductors have not been tested by previous drilling, with a number of holes either not hitting or only intersecting the margins of the conductor, which appears to be the case for YWRC083.These conductors appear to plunge between existing drill holes and are a priority for further exploration targeting massive nickel - copper -cobalt sulphide. Additional EM conductors are also yet to be adequately tested at four other localities within the project. To date, all conductors have proven to be associated with magmatic sulphides. The surface EM coverage completed to date has been limited and has not effectively covered the project area, particularly the ultramafic basal contact zone which is a highly prospective position for the accumulation of nickel sulphides. Re -interpretation of the geology and targeting is continuing.An Airborne Electromagnetic Survey survey has been completed by independent contractor NRG utilising their Xcite system. The aim of the survey was to expand the EM coverage over the entire mafic -ultramafic i ntrusive and to test down dip, beyond the depth of the previous EM system. Results and interpretation of the survey are due imminently. An RC drilling ***program*** is intended to follow to test new and existing conductors in the second half of the year.Cassini views the Project as an excellent opportunity to apply its geological expertise and learnings in nickel -copper systems from the West Musgrave Project to an apparently similar mineralised system with only limited modern exploration. Further, the project is conveniently located adjacent to roads and power, providing development advantages if exploration proves successful. The project provides Cassini with further exposure to nickel, copper and cobalt, three critical components of advanced technology and a decarbonised future.

**Load-Date:** May 14, 2018

**End of Document**



[***Council of the European Union: Proposal for a COUNCIL DECISION concerning the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil ST 10632 2017 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P6G-K7B1-JDG9-Y0RW-00000-00&context=1516831)

Impact News Service

August 4, 2017 Friday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 5164 words

**Body**

Brussels: Council of the European Union has issued the following document:

10632/17 SD/lv DG G 3 C EN Council of the European Union Brussels, 23 June 2017 (OR. en) 10632/17 RECH 247 RELEX 568 Interinstitutional File: 2017/0139 (NLE) PROPOSAL From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 22 June 2017 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: COM(2017) 336 final Subject: Proposal for a COUNCIL DECISION concerning the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil Delegations will find attached document COM(2017) 336 final. Encl.: COM(2017) 336 final EN EN EUROPEAN COMMISSION Brussels, 22.6.2017 COM(2017) 336 final 2017/0139 (NLE) Proposal for a COUNCIL DECISION concerning the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil EN 2 EN EXPLANATORY MEMORANDUM 1. CONTEXT OF THE PROPOSAL • Reasons for and objectives of the proposal The Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil1 (‘the Agreement’) entered into force on 7 August 2007. Article XII(2) of the Agreement provides that it ‘shall initially be valid for a period of five years and may be renewed by agreement between the Parties after evaluation during the penultimate year of each subsequent renewal period’. The Agreement was last renewed in 2012 and remains in force until 7 August 2017, unless the Parties renew it for the next five-year period. Since the Agreement was last renewed (Decision 2012/646/EU2), Brazil has made significant advances in its science, technology and innovation (STI) policy, which has contributed to the institutional strengthening of the STI system.

This included an improvement in the number and qualifications of human resources and in R&D infrastructure. Brazil remains at the forefront of research in the field of ***agriculture***, as well as in tropical and infectious diseases. It is also a world-class player in the fields of information and communication technologies, nanotechnologies and energy and it hosts some of Latin America’s top universities. These research areas are of interest to the European Union. The links between Brazil and the EU in science, technology and innovation have been growing through intense cooperation at EU and Member State level. The evaluation carried out by the Commission clearly demonstrates that the Agreement provides an important framework for facilitating cooperation between the EU and Brazil in common S&T priority areas leading to mutual benefits. As Brazil’s potential as a research and innovation partner continues to grow, it should be seen as a ***strategic*** partner for the EU in Latin America. The main instruments for cooperation are the EU framework ***programmes*** for research and innovation. Among non-Associated third countries, Brazil was the 6th most active country in FP 7 (2007-2013) and the 5th in Horizon 2020 so far. Cooperation between the EU and the Brazilian research community led, among other results, to the development of a new drug for Chagas disease (already registered with Food and Drug Administration to start clinical testing) and to the development of a new biomass pre-treatment process for advanced bioethanol (allowing the set-up of the first commercial advanced bioethanol plant in Europe). It is, therefore, in the EU’s interest to renew the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil for a new period of five years. Both Parties confirmed their wish to renew the Agreement by exchange of letters, dated 14 November 2016 and 5 January 2017. The substance of the renewed Agreement will be identical to that of the current Agreement, as discussed and agreed with the Brazilian counterpart. 1 OJ L 295, 11.11.2005, p. 38. 2 Council Decision 2012/646/EU of 10 October 2012 concerning the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil (OJ L 287, 18.10.2012, p. 4). EN 3 EN • Consistency with existing policy provisions in the policy area This initiative is fully in line with the EU’s international cooperation strategy for research & innovation3. The EU’s strategy clearly states the importance of science & technology agreements as vehicles for defining and implementing multiannual roadmaps for cooperation with non-EU countries. The Agreement is also means of implementing the EU’s international cooperation strategy for research and innovation, which calls for more internationalisation and openness in the EU’s research & innovation landscape. • Consistency with other Union policies The EU’s global strategy for the EU’s foreign and security policy confirms that research cooperation is an important aspect of EU foreign policy and sees research cooperation as an essential element of stronger socioeconomic ties, notably with Latin American countries. 2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY • Legal basis The EU’s power to act internationally in research and technological development is based on Article 186 TFEU. The procedural legal basis for the proposal is point (v) of Article 218(6)(a) TFEU. 3. RESULTS OF EX POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS • Regulatory fitness and simplification This initiative is not part of the REFIT agenda. 4. BUDGETARY IMPLICATIONS Only human and administrative resources are required; these are set out in the legislative financial statement. In the light of the above considerations, the Commission requests that the Council: - approves, on behalf of the Union, and with the consent of the European Parliament, the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil which will apply, following the expiry of the five years, for an additional period of five years (i.e , from 08.08.2017 until 07.08.2022) - authorise the President of the Council to designate the person(s) empowered to notify the Government of the Federative Republic of Brazil that the Union has completed the internal procedures necessary for the entry into force of this renewed Agreement 3 Enhancing and focusing EU international cooperation in research and innovation: a ***strategic*** approach, COM(2012) 497. EN 4 EN 2017/0139 (NLE) Proposal for a COUNCIL DECISION concerning the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil THE COUNCIL OF THE EUROPEAN UNION, Having regard to the Treaty on the Functioning of the European Union, and in particular Article 186, in conjunction with point (v) of Article 218(6)(a) thereof, Having regard to the proposal from the European Commission, Having regard to the consent of the European Parliament, Whereas: (1) By Decision 2005/781/EC4, the Council approved the conclusion of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil (the ‘Agreement’). (2) The Agreement, in accordance with Article XII, enters into force on the date on which both Parties have notified each other in writing that their respective internal procedures necessary for the Agreement to enter into force have been completed. The Agreement is initially valid for a period of five years and may be renewed by agreement between the Parties after evaluation during the penultimate year of each subsequent renewal period. (3) By Decision 2012/646/EU5, the Council approved the renewal of the Agreement for an additional period of five years. (4) The exchange of letters between the Parties, dated 14 November 2016 and 5 January 2017, confirmed their interest in renewing the Agreement for another five years. (5) As a consequence of the entry into force of the Treaty of Lisbon on 1 December 2009, the European Union has replaced and succeeded the European Community. (6) The renewal of the Agreement should be approved on behalf of the Union, 4 Council Decision 2005/781/EC of 6 June 2005 on the conclusion of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil (OJ L 295, 11.11.2005, p. 37). 5 Council Decision 2012/646/EU of 10 October 2012 concerning the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil (OJ L 287, 18.10.2012, p. 4). EN 5 EN HAS ADOPTED THIS DECISION: Article 1 The renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil, for an additional period of five years, is hereby approved on behalf of the European Union. Article 2 The President of the Council shall designate the person(s) empowered to notify the Government of the Federative Republic of Brazil, on behalf of the Union and in accordance with Article XII(2) of the Agreement, that the Union has completed the internal procedures necessary for the entry into force of this renewed Agreement and make the following notification to Brazil: 'As a consequence of the entry into force of the Treaty of Lisbon on 1 December 2009, the European Union has replaced and succeeded the European Community and from that date exercises all rights and assumes all obligations of the European Community. Therefore, references to 'the European Community' in the text of the Agreement are, where appropriate to be read as 'the European Union'.'. Article 3 This Decision shall enter into force on the day of its adoption. Done at Brussels, For the Council The President EN 6 EN LEGISLATIVE FINANCIAL STATEMENT 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE 1.1 Title of the proposal/initiative 1.2 Policy area(s) concerned in the ABM/ABB structure 1.3 Nature of the proposal/initiative 1.4 Objective(s) 1.5 Grounds for the proposal/initiative 1.6 Duration and financial impact 1.7 Management mode(s) ***planned*** 2. MANAGEMENT MEASURES 2.1 Monitoring and reporting rules 2.2 Management and control system 2.3 Measures to prevent fraud and irregularities 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE 3.1 Heading(s) of the multiannual financial framework and expenditure budget line(s) affected 3.2 Estimated impact on expenditure 3.2.1 Summary of estimated impact on expenditure 3.2.2 Estimated impact on operational appropriations 3.2.3 Estimated impact on appropriations of an administrative nature 3.2.4 Compatibility with the current multiannual financial framework 3.2.5 Third-party contributions 3.3 Estimated impact on revenue EN 7 EN LEGISLATIVE FINANCIAL STATEMENT 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE 1.1 Title of the proposal/initiative Proposal for a Council Decision concerning the renewal of the Agreement for scientific and technological cooperation between the European Community and the Federative Republic of Brazil 1.2 Policy area(s) concerned in the ABM/ABB structure6 Policy strategy and coordination of, in particular, the Directorates-General RTD, AGRI, CLIMA, JRC, EAC, ENER, GROW, CNECT and MOVE. 1.3 Nature of the proposal/initiative  The proposal/initiative relates to a new action  The proposal/initiative relates to a new action following a pilot project/preparatory action7  The proposal/initiative relates to the extension of an existing action  The proposal/initiative relates to an action redirected towards a new action 1.4 Objective(s) 1.4.1 The Commission’s multiannual ***strategic*** objective(s) targeted by the proposal/initiative The present initiative will allow both Parties to improve and intensify their cooperation in scientific and technological areas of common interest. 1.4.2 Specific objective(s) and ABM/ABB activity(ies) concerned Specific objective No This decision should allow both Parties to enhance the cooperation and develop a more ***strategic*** partnership by increasing the scale and scope of existing cooperation, addressing key societal challenges in common and promoting reciprocal access to ***programmes*** and funding. It will also allow regional cooperation to increase where appropriate. ABM/ABB activity(ies) concerned 6 ABM: activity-based management; ABB: activity-based budgeting. 7 As referred to in Article 54(2)(a) or (b) of the Financial Regulation. EN 8 EN 1.4.3 Expected result(s) and impact Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted. This decision will allow both Brazil and the European Union to derive mutual benefit from the scientific and technical progress achieved through research in their respective research ***programmes*** and ongoing cooperation activities. It will allow for exchange of specific knowledge and transfer of know-how to the benefit of the scientific community, industry and citizens of both Parties. 1.4.4 Indicators of results and impact Specify the indicators for monitoring implementation of the proposal/initiative. The Commission will regularly monitor all actions carried out under the Agreement, including of cooperation activities. This evaluation will cover the following points, among others: (a) cooperation indicators — analysis of the number and type of participation of Brazilian entities in EU funded ***programmes*** (e.g number of proposals, number of signed grant agreements, main collaboration links, main thematic; generated output) and vice-versa (whenever the data is available); (b) performance indicators — success rate of Brazilian entities participating in the EU framework ***programmes*** compared to other non-EU countries and to Member States/Associated countries to a Research Framework ***Programme***; analysis of the quality of the participation (e.g number of best ranked universities taking part on the ***programme***, number of patents and publications coming from collaborative projects); (c) data collection regarding cooperation activities and links beyond the respective research funding ***programmes*** and assessment of the impact of these activities, like participation in multilateral initiatives and working groups. 1.5 Grounds for the proposal/initiative 1.5.1 Requirement(s) to be met in the short or long term This decision will allow the two Parties to continue to improve and intensify their cooperation in scientific and technological areas for mutual benefit. 1.5.2 Added value of EU involvement Cooperation in research & innovation between Brazil and the EU and its Member States has been growing steadily in the past years. The involvement of the EU allows activities with larger scale and scope for the benefit of all Member States. The renewal of this Agreement will allow the EU to have easier access to scientific knowledge ***produced*** in Brazil and to engage in more cooperation activities leading to additional exchange of knowledge and technologies. It will also provide easier access to the Brazilian market for European companies. EN 9 EN 1.5.3 Lessons learned from similar experiences in the past Based on the experience so far in scientific and technological cooperation, it is considered mutually beneficial to continue research cooperation with Brazil, as a ***strategic*** partner of the Union in research and innovation. 1.5.4 Compatibility and possible synergy with other appropriate instruments The renewal of the Agreement with Brazil is considered to be fully consistent with the overall policy framework on international cooperation in research and innovation (COM(2012)497). EN 10 EN 1.6 Duration and financial impact  Proposal/initiative of limited duration –  Proposal/initiative in effect from 08/08/2017 to 07/08/2022 –  Financial impact from YYYY to YYYY  Proposal/initiative of unlimited duration – implementation with a start-up period from YYYY to YYYY, – followed by full-scale operation. 1.7 Management mode(s) planned8  Direct management by the Commission –  by its departments, including by its staff in the Union delegations; –  by the executive agencies  Shared management with the Member States  Indirect management by entrusting budget implementation tasks to: –  third countries or the bodies they have designated; –  international organisations and their agencies (to be specified); – the EIB and the European Investment Fund; –  bodies referred to in Articles 208 and 209 of the Financial Regulation; –  public law bodies; –  bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees; –  bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees; –  persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act. – If more than one management mode is indicated, please provide details in the ‘Comments’ section. Comments […] 8 Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: [*http://www.cc.cec/budg/man/budgmanag/budgmanag\_en.html*](http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html) EN 11 EN 2. MANAGEMENT MEASURES 2.1 Monitoring and reporting rules Specify frequency and conditions. Brazil’s participation in the framework ***programme*** is monitored on a regular basis through meetings of the Joint Steering Committee established under Article VI of the Agreement. 2.2 Management and control system 2.2.1 Risk(s) identified Meetings and bilateral contacts take place on a regular basis allowing for the systematic sharing of information and control. No risks have been identified in the control system. 2.2.2 Information concerning the internal control system set up 2.2.3 Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error 2.3 Measures to prevent fraud and irregularities Specify existing or envisaged prevention and protection measures. When the implementation of the framework ***programme*** calls for the use of external contractors or entails granting financial contributions to third parties, the Commission will carry out, where appropriate, financial audits, in particular if it has reason to doubt the realistic nature of work performed or described in the activity reports. The Union’s financial audits will be carried out either by its own staff or by accounting experts approved according to the law of the audited party. The Union will choose the latter freely, while avoiding any risks of conflicts of interest which might be indicated to it by the party subject to the audit. In addition, the Commission will make sure, in carrying out the research activities, that the financial interests of the Union are protected by effective checks and, where irregularities are detected, by deterrent and proportionate measures and penalties. In order to achieve this aim, rules on checks, measures and penalties, with reference to Regulations No 2988/95, No 2185/96 and No 1073/99 will be incorporated in all contracts used in the implementation of the framework ***programme***. In particular, the following points will have to be provided for in the contracts: - the insertion of specific clauses in the contracts to protect the financial interests of the EU in carrying out checks and controls in relation to the work performed; EN 12 EN - the carrying out of administrative checks as part of anti-fraud measures, in accordance with Regulations No 2185/96, No 1073/1999 and No 1074/1999; - the application of administrative penalties for all intentional or negligent irregularities in the implementation of the contracts, in accordance with the Framework Regulation No 2988/95, including a blacklisting mechanism; - the fact that any recovery orders in the event of irregularities and fraud must be enforceable according to Article 299 of the Treaty on the Functioning of the European Union. In addition and as a routine measure, a ***programme*** of checks on scientific and budgetary aspects of cooperation will be carried out by the staff responsible in the Directorate-General (DG) for Research and Innovation. An internal audit will be carried out by the Internal Audit unit of DG Research and Innovation, and local inspections will be carried out by the European Court of Auditors. EN 13 EN 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE 3.1 Heading(s) of the multiannual financial framework and expenditure budget line(s) affected • Existing budget lines In order of multiannual financial framework headings and budget lines. Heading of multiannual financial framework Budget line Type of expenditure Contribution Number [Heading………………………...…………] Diff./Non-diff9. from EFTA countries10 from candidate countries11 from third countries within the meaning of Article 21(2)(b) of the Financial Regulation 1a 08.01.05 Non-diff. YES YES NO NO • New budget lines requested In order of multiannual financial framework headings and budget lines. Heading of multiannual financial framework Budget line Type of expenditure Contribution Number [Heading………………………………………] Diff./Non-diff. from EFTA countries from candidate countries from third countries within the meaning of Article 21(2)(b) of the Financial Regulation [XX.YY.YY.YY] YES/NO YES/NO YES/NO YES/NO 9 Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations. 10 EFTA: European Free Trade Association. 11 Candidate countries and, where applicable, potential candidate countries from the Western Balkans. EN 14 EN 3.2 Estimated impact on expenditure [This section should be filled in using the spreadsheet on budget data of an administrative nature (second document in annex to this financial statement) and uploaded to CISNET for interservice consultation purposes.] 3.2.1 Summary of estimated impact on expenditure EUR million (to three decimal places) Heading of multiannual financial framework Number [Heading……………...……………………………………………………………….] DG: <RTD> Year 201712 Year 2018 Year 2019 Year 2020 Year 2021 Year 2022 TOTAL  Operational appropriations Number of budget line Commitments (1) Payments (2) Number of budget line Commitments (1a) Payments (2a) Appropriations of an administrative nature financed from the envelope of specific programmes13 Number of budget line 08.01.05 (3) TOTAL appropriations for DG Commitments =1+1a +3 0.024 0.061 0.061 0.061 0.061 0.037 0.305 Payments =2+2a +3 0.024 0.061 0.061 0.061 0.061 0.037 0.305 12 Year 2017 is the year in which implementation of the proposal/initiative starts. 13 Technical and/or administrative assistance and expenditure in support of the implementation of EU ***programmes*** and/or actions (former ‘BA’ lines), indirect research, direct research. EN 15 EN  TOTAL operational appropriations Commitments (4) Payments (5)  TOTAL appropriations of an administrative nature financed from the envelope for specific ***programmes*** (6) 0.024 0.061 0.061 0.061 0.061 0.061 0.037 0.305 TOTAL appropriations under HEADING <….> of the multiannual financial framework Commitments =4+ 6 0.024 0.061 0.061 0.061 0.061 0.061 0.037 0.305 Payments =5+ 6 0.024 0.061 0.061 0.061 0.061 0.061 0.037 0.305 If more than one heading is affected by the proposal / initiative:  TOTAL operational appropriations Commitments (4) Payments (5)  TOTAL appropriations of an administrative nature financed from the envelope for specific ***programmes*** (6) TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount) Commitments =4+ 6 Payments =5+ 6 EN 16 EN Heading of multiannual financial framework 5 ‘Administrative expenditure’ EUR million (to three decimal places) Year 201714 Year 20181 Year 2019 Year 2020 Year 2021 Year 2022 TOTAL DG: <…….>  Human resources  Other administrative expenditure 0.003 0.008 0.008 0.008 0.008 0.005 0.04 TOTAL DG <…….> Appropriations 0.003 0.008 0.008 0.008 0.008 0.005 0.04 TOTAL appropriations under HEADING 5 of the multiannual financial framework (Total commitments = Total payments) 0.003 0.008 0.008 0.008 0.008 0.005 0.04 EUR million (to three decimal places) Year 201715 Year 2018 Year 2019 Year 2020 Year 2021 Year 2022 TOTAL TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework Commitments 0.027 0.069 0.069 0.069 0.069 0.042 0.345 Payments 0.027 0.069 0.069 0.069 0.069 0.042 0.345 14 Year 2017 is the year in which implementation of the proposal/initiative starts. 15 Year 2017 is the year in which implementation of the proposal/initiative starts. EN 17 EN 3.2.2 Estimated impact on operational appropriations –  The proposal/initiative does not require the use of operational appropriations –  The proposal/initiative requires the use of operational appropriations, as explained below: Commitment appropriations in EUR million (to three decimal places) Indicate objectives and outputs  Year N Year N+1 Year N+2 Year N+3 Enter as many years as necessary to show the duration of the impact (see point 1.6) TOTAL OUTPUTS Type16 Average cost No Cost No Cost No Cost No Cost No Cost No Cost No Cost Total No Total cost SPECIFIC OBJECTIVE No 117… - Output - Output - Output Subtotal for specific objective No 1 SPECIFIC OBJECTIVE No 2 ... - Output Subtotal for specific objective No 2 TOTAL COST 16 Outputs are products and services to be supplied (e.g number of student exchanges financed, number of km of roads built, etc.). 17 As described in point 1.4.2 ‘Specific objective(s)…’. EN 18 EN 3.2.3 Estimated impact on appropriations of an administrative nature 3.2.3.1 Summary –  The proposal/initiative does not require the use of appropriations of an administrative nature –  The proposal/initiative requires the use of appropriations of an administrative nature, as explained below: EUR million (to three decimal places) Year 2017 18 Year 2018 Year 2019 Year 2020 Year 2021 Year 2022 TOTAL HEADING 5 of the multiannual financial framework Human resources Other administrative expenditure 0.003 0.008 0.008 0.008 0.008 0.005 0.04 Subtotal HEADING 5 of the multiannual financial framework 0.003 0.008 0.008 0.008 0.008 0.005 0.04 Outside HEADING 519 of the multiannual financial framework Human resources 0.024 0.061 0.061 0.061 0.061 0.037 0.305 Other expenditure of an administrative nature Subtotal outside HEADING 5 of the multiannual financial framework TOTAL 0.027 0.069 0.069 0.069 0.069 0.042 0.345 The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints. 18 Year 2017 is the year in which implementation of the proposal/initiative starts. 19 Technical and/or administrative assistance and expenditure in support of the implementation of EU ***programmes*** and/or actions (former ‘BA’ lines), indirect research, direct research. EN 19 EN 3.2.3.2 Estimated requirements of human resources –  The proposal/initiative does not require the use of human resources. –  The proposal/initiative requires the use of human resources, as explained below: Estimate to be expressed in full time equivalent units Year 2017 Year 2018 Year 2019 Year 2020 Year 2021 Year 2022  Establishment ***plan*** posts (officials and temporary staff) XX 01 01 01 (Headquarters and Commission’s Representation Offices) XX 01 01 02 (Delegations) 08 01 05 01 (Indirect research) 0.2 0.5 0.5 0.5 0.5 0.3 10 01 05 01 (Direct research)  External staff (in Full Time Equivalent unit: FTE)20 XX 01 02 01 (AC, END, INT from the ‘global envelope’) XX 01 02 02 (AC, AL, END, INT and JED in the delegations) XX 01 04 yy 21 - at Headquarters - in Delegations XX 01 05 02 (AC, END, INT — Indirect research) 10 01 05 02 (AC, END, INT — Direct research) Other budget lines (specify) TOTAL 0.2 0.5 0.5 0.5 0.5 0.3 XX is the policy area or budget title concerned. The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints. Description of tasks to be carried out: Officials and temporary staff Preparation and management of Joint Committee Meetings as provided for in Article VI of the Agreement, as well as follow-up of functioning and implementation of the Agreement. Calculations are done proportionally considering the duration of the Agreement. External staff 20 AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations. 21 Sub-ceiling for external staff covered by operational appropriations (former ‘BA’ lines). EN 20 EN 3.2.4 Compatibility with the current multiannual financial framework –  The proposal/initiative is compatible the current multiannual financial framework. –  The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework. Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts. –  The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework. Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts. 3.2.5 Third-party contributions –  The proposal/initiative does not provide for co-financing by third parties. – The proposal/initiative provides for the co-financing estimated below: Appropriations in EUR million (to three decimal places) Year N Year N+1 Year N+2 Year N+3 Enter as many years as necessary to show the duration of the impact (see point 1.6) Total Specify the co-financing body TOTAL appropriations co-financed EN 21 EN 3.3 Estimated impact on revenue –  The proposal/initiative has no financial impact on revenue. –  The proposal/initiative has the following financial impact: –  on own resources –  on miscellaneous revenue EUR million (to three decimal places) Budget revenue line: Appropriations available for the current financial year Impact of the proposal/initiative22 Year N Year N+1 Year N+2 Year N+3 Enter as many years as necessary to show the duration of the impact (see point 1.6) Article …………. For miscellaneous ‘assigned’ revenue, specify the budget expenditure line(s) affected. Specify the method for calculating the impact on revenue. 22 As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e gross amounts after deduction of 25% for collection costs.

**Load-Date:** August 8, 2017

**End of Document**



[***Million-rouble idea won by agrobot robotic tractors***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RCC-JH91-F03F-D40S-00000-00&context=1516831)

SKRIN Market & Corporate News

January 9, 2018 Tuesday 4:26 PM GMT

Copyright 2018 SKRIN All Rights Reserved

**Length:** 1337 words

**Body**

The makers of driverless farm tractors, powerchair drive systems and functional prosthetics have won Vnesheconombank’s mln-Rouble Idea, a game show aired on NTV for two weeks. The prizes were presented by Maxim Oreshkin, Minister of Economic Development of the Russian Federation. The winning project, AgroBot, received 25 mln roubles for further business development; the runner-up prize of 20 mln roubles went to Una Wheel; the third-place prize of 15 mln roubles was given to Motorika.

The final episode was traditionally judged by government officials, representatives of development institutions, business leaders and celebrities. Apart from Economic Development Minister Maxim Oreshkin, the projects submitted for the show were evaluated by Vnesheconombank’s Chairman Sergey Gorkov, General Director of the Agency for ***Strategic*** Initiatives Svetlana Chupsheva, Managing Director of Altera Capital Kirill Androsov and actor Ivan Okhlobystin.

More than 500 applications were submitted for participation in the contest; 35 high-technology start-ups were longlisted for the prizes. The winners of seven episodes went through to the final of the show, and the other teams were eliminated. The best three contestants in the mln-Rouble Idea final shared a total of 60 mln roubles in prize money.

According to the winning team, their project AgroBot is not limited to their ***plans*** to mass-***produce*** robotic tractors. They have a dream of building an ecosystem designed to manage a fleet of vehicles and handle big data, ultimately becoming a smart ***agricultural*** ***producer*** using systems with minimal human interference.

According to Vnesheconombank’s Chairman Sergey Gorkov, the first start-up game show was so successful that dozens of other Russian innovators were enabled to fulfil their "mln-rouble ideas".

"It seemed unrealistic until quite recently to have such a show aired nationwide. Together with NTV, we did the unthinkable: the destinies of the innovation start-ups captured the attention of viewers. To build a digital economy, it is necessary to revolutionise the public perception. I hope that the project will continue in the second and third seasons," Sergey Gorkov said.

According to one of the judges, Russian actor Ivan Okhlobystin, the television project gives young businesspersons and inventors a unique chance to win through. "mln-Rouble Idea is a generous ***programme***. It is necessary to help everyone involved in science without seeking to benefit from it. Thank God someone is interested in new technologies, and it is possible to find financing. Now the guys can fulfil their potential and carry out their creative ***plans***-this is wonderful," Ivan Okhlobystin said.

"Throughout the season, it was really exciting to talk to renowned business leaders from among the judges-those who deal in big money-and to those whose entrepreneurial talents are about to change the world. The ideas discussed in the final really belong in the future, and the future is coming before our very eyes!" game show host Sergey Malozyomov said.

Leonid Kazinets, Chairman of the Management Board of Barkli, also spoke about the project’s educational function. "Having your own business is no picnic. First, the mln-Rouble Idea project supports start-ups; second, it makes people want to build up their businesses, invent and promote ideas, look for investors and partners," Leonid Kazinets said.

Big business also showed great interest in the start-up projects. Dmitry Konov, Chairman of the Management Board of SIBUR, is confident that the majors can use these innovations.

"Each project had its own creative features. Sometimes it is interesting to look at new ideas through the eyes of a man involved in big business and working at large companies. At first some of the new solutions seem impractical, but when you begin to analyse them and talk to the teams, you understand that many things they do or see from their own perspective can be used more widely," Dmitry Konov said.

The mln-Rouble Idea runner-up, Una Wheel, designs powerchair drive systems. They will allow people with disabilities to lead an active life. Significantly, they will be several times cheaper than their existing equivalents. The project team expects to expand the range of its products in the future, including creating devices that will help to carry more weight.

The third-place prize winner, Motorika, designs and creates prostheses for children and adults. Superhero-style functional prosthetics help children with disabilities to participate in all activities at school and in life. Sophisticated bionic prosthetics are intended to assist adults at work.

In addition to prize money for business development, the winning start-ups will be provided with the opportunity to pitch to Russian and foreign investors at the Roscongress Foundation’s forums and the field sessions of the St. Petersburg International Economic Forum.

The innovators also received substantial financial support from viewers, who could pay by bank card, by SMS or by digital wallet. More than 1,550 sponsors used the Boomstarter crowdfunding platform to pay over 2.8 mln roubles. Financial assistance for some of the projects was 400-600% more than initially asked for.

The Roscongress Foundation will enable the winning start-ups to pitch to Russian and foreign investors at the country’s key economic forums, including the field sessions of the St. Petersburg International Economic Forum in Russia and abroad. The seven finalists of the show will all be able to take part in Roscongress events under the agreement signed by Vnesheconombank and the Roscongress Foundation during the Russian Investment Forum in Sochi.

The media sponsors of the project were Rambler News Service, Russia’s leading high-technology and innovation media outlet Hightech and the Argumenty i Fakty newspaper.

The mln-Rouble Idea website contains all eight episodes.

State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" is a national development bank and one of Russia’s largest financial institutions. Established in 1924, the Bank has operated under the special Federal Law "On Bank for Development" since 2007. In accordance with the Development Strategy until 2021, Vnesheconombank will focus its activities on financing for high-technology industrial projects, infrastructure development, support for non-resource exports, support for innovations and projects of the National Technology Initiative.

NTV is Russia’s largest private television channel with a nationwide broadcasting network. Founded in 1993, the television network operates six NTV-branded channels: NTV, a major nationwide television channel; three subscription-based thematic channels (NTV Serial, NTV Stil and NTV Pravo); international ***programming*** (NTV-Mir and NTV-America). NTV broadcasts in all Russian regions, has an audience share of 98.6% and traditionally ranks among Russia’s top three television networks.

The Roscongress Foundation is the largest organiser of conventions and exhibitions.

The Roscongress Foundation was founded in 2007 with the aim of facilitating the development of Russia’s economic potential and strengthening the country’s image by organising conventions, exhibitions and public events. The Foundation develops substantive content for such events, providing companies and organisations with advice, information and expert guidance, and offering comprehensive evaluation, analysis, and coverage of the Russian and global economic agendas. It offers administrative services and promotional support for business projects and helps to attract investment, including in the form of public-private partnerships.

Today, its annual ***programme*** includes events held from Montevideo to Vladivostok, offering an opportunity to bring together global business leaders, experts, the media and government officials in one place, creating favourable conditions for dialogue and the promotion of new ideas and projects, and assisting in the creation of social enterprise and charity projects. / VEB

**Load-Date:** January 9, 2018

**End of Document**



[***Council of the European Union: Outcome of meeting - 3552nd Council meeting - GENERAL AFFAIRS- Luxembourg, 20 June 2017 ST 10502 2017 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-B041-F0YC-N311-00000-00&context=1516831)

Impact News Service

July 28, 2017 Friday

Copyright 2017 Impact Media Limited All Rights Reserved



**Length:** 2664 words

**Body**

Brussels: Council of the European Union has issued the following document:

P R E S S Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 6319 Fax: +32 (0)2 281 8026 [*press.office@consilium.europa.eu*](mailto:press.office@consilium.europa.eu) [*http://www.consilium.europa.eu/press*](http://www.consilium.europa.eu/press) 10502/17 1 EN Council of the European Union EN 10502/17 (OR. en) PRESSE 39 PR CO 39 OUTCOME OF THE COUNCIL MEETING 3552nd Council meeting General Affairs Luxembourg, 20 June 2017 President Helena Dalli Minister for European Affairs and Equality of Malta 20 June 2017 1  Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.  Documents for which references are given in the text are available on the Council's internet site (   [*http://www.consilium.europa.eu*](http://www.consilium.europa.eu)).  Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's internet site or may be obtained from the Press Office.

10502/17 2 EN CONTENTS1 ITEMS DEBATED Preparation for the June European Council ......................................................................................... 4 18-month ***programme*** of the Council ................................................................................................... 5 European Semester ............................................................................................................................... 5 Better law-making agreement .............................................................................................................. 5 OTHER ITEMS APPROVED GENERAL AFFAIRS – Adjusting the Commission's exercise of implementing powers to the Lisbon Treaty ............................................. 6 BUDGETS – Mid-term review of the EU's multiannual financial framework 2014-2020 ............................................................ 6 ECONOMIC AND FINANCIAL AFFAIRS – Land parcel identification system ............................................................................................................................ 7 – Cross-compliance .................................................................................................................................................... 7 FOREIGN AFFAIRS – Relations with Bosnia and Herzegovina .................................................................................................................. 7 – Sanctions against the Central African Republic ...................................................................................................... 7 COMMON SECURITY AND DEFENCE POLICY – Regionalisation of CSDP missions in the Sahel ...................................................................................................... 8 DEVELOPMENT – EU response to 2030 agenda for sustainable development ...................................................................................... 9 20 June 2017 10502/17 3 EN JUSTICE AND HOME AFFAIRS – Uniform format for short-stay visas ........................................................................................................................ 9 – New psychoactive substances directive ................................................................................................................... 9 – EU action ***plan*** on drugs (2017-2020) ................................................................................................................... 10 ***AGRICULTURE*** – Campylobacter in broiler carcasses ....................................................................................................................... 10 CUSTOMS UNION – Tariffs and quotas on certain products .................................................................................................................. 11 20 June 2017 10502/17 4 EN ITEMS DEBATED Preparation for the June European Council The Council examined draft conclusions for the European Council meeting to be held on 22-23 June, prepared by the President of the European Council, Donald Tusk, in cooperation with the Maltese presidency and the Commission. The European Council will focus on: – migration: the European Council will assess progress on measures to address the Central Mediterranean route, and return to the reform of the common European asylum system – security and defence: the European Council will review progress on the ongoing work to strengthen EU cooperation on external security and defence; it will also provide ***strategic*** guidance where necessary – jobs, growth and competitiveness: the European Council will review efforts to deepen the single market and reaffirm the EU's strong commitment to free and fair trade – external relations: the European Council will be briefed by its President and by the President of the European Commission on recent leaders' meetings and international summits – other items: the European Council will address Digital Europe and the Paris agreement on climate change An annotated draft agenda was discussed by the Council on 16 May 2017. 20 June 2017 10502/17 5 EN 18-month ***programme*** of the Council In a public session, the Council endorsed the 18-month ***programme*** of the Council covering the period 1 July 2017 to 31 December 2018. The ***programme*** had been prepared by the incoming Estonian, Bulgarian and Austrian presidencies and, as regards the Foreign Affairs Council, the High Representative, in cooperation with the Commission. It is in line with the European Council's ***strategic*** agenda and the EU's legislative priorities for 2017. European Semester Under the 2017 'European Semester' monitoring process, the Council approved draft country-specific recommendations (CSRs) on economic and fiscal policies. The CSRs will now be submitted to the European Council for endorsement at its meeting on 22 and 23 June 2017. The draft CSRs have also been discussed in EPSCO and ECOFIN. The European Semester is an annual process for the simultaneous monitoring of the member states' economic, employment and fiscal policies. Council website: European Semester Better law-making agreement The presidency informed the Council about the state of play as regards implementing the better-law agreement. Ministers exchanged views on the priorities for 2018 with a view to providing input for the Commission's letter of intent on its work ***programme*** for next year. Ministers emphasised the importance of delivering on work initiated in recent years. The Commission intends to submit its letter of intent on 13 September 2017. 20 June 2017 10502/17 6 EN OTHER ITEMS APPROVED GENERAL AFFAIRS Adjusting the Commission's exercise of implementing powers to the Lisbon Treaty The Council took note of a progress report on adapting certain legal acts to the provisions of the Lisbon Treaty on the Commission's exercise of implementing powers (10170/17). More specifically, the report reflects the state of play on a draft regulation that replaces the use of the so-called regulatory procedure with scrutiny in some legal acts with the use of delegated or implementing acts as set out in articles 290 and 291 of the Treaty on the Functioning of the EU. BUDGETS Mid-term review of the EU's multiannual financial framework 2014-2020 The Council adopted a revised multiannual financial framework (MFF) covering the years 2014-2020, following a mid-term review (14942/16 + 7031/17 + ADD 1 + ADD2). The revised MFF reinforces the EU's support by €6.01 billion (at 2011 prices) for tackling the migration crisis, strengthening security, boosting growth and creating jobs. The revised MFF also improves the EU's capacity to respond more quickly to unexpected needs. Care is being taken not to increase the risk of an excessive backlog of unpaid bills. The Council also adopted a decision offsetting the €2.8 billion in payments mobilised in 2014 under the contingency margin by a corresponding decrease of the payment ceiling in 2017 rather than in the years 2018-2020 (7958/17). More details on the MFF mid-term review 20 June 2017 10502/17 7 EN ECONOMIC AND FINANCIAL AFFAIRS Land parcel identification system The Council adopted conclusions on the European Court of Auditors' report entitled 'The Land Parcel Identification System: a useful tool to determine the eligibility of ***agricultural*** land - but its management could be further improved', as set out in 6793/17. Cross-compliance The Council adopted conclusions on the European Court of Auditors' report entitled 'Making cross-compliance more effective and achieving simplification remains challenging', as set out in 6812/17. FOREIGN AFFAIRS Relations with Bosnia and Herzegovina The Council adopted a decision on the conclusion of the Protocol to the Stabilisation and Association Agreement with BiH to take account of the accession of the Republic of Croatia to the EU. The Protocol was signed on 15 December 2016. The European Parliament gave its consent on 16 May 2017. Sanctions against the Central African Republic The Council amended the restrictive measures against the Central African Republic (CAR). On 17 May 2017, the United Nations Security Council Committee added one person to the list of persons and entities subject to restrictive measures. The Council decision transposes this update by the UN. The sanctions were introduced by the Council in December 2013 after the Council expressed its deep concern regarding the situation in the CAR. The sanctions implement the UN arms embargo against the CAR. 20 June 2017 10502/17 8 EN COMMON SECURITY AND DEFENCE POLICY Regionalisation of CSDP missions in the Sahel The Council adopted a decision to support the regionalisation of EU Common Security and Defence Policy (CSDP) missions in the Sahel region, namely EUCAP Sahel Mali, EUCAP Sahel Niger and EUTM Mali. The Council decision allows for the establishment of a regional coordination cell based within one of the EU civilian missions, EUCAP Sahel Mali. The regional coordination cell include internal security and defence experts in G5 Sahel countries, deployed in Mali but also in EU delegations in other G5 Sahel countries, namely Mauritania, Burkina Faso, Niger and Chad. In a first phase, the regional coordination cell will conduct an assessment of G5 Sahel countries' security and defence needs and gaps with a view to the development of a CSDP regional implementation ***plan*** that will make recommendations for any subsequent phase. It will also facilitate the organisation of training courses by the EU CSDP Missions in the Sahel for G5 Sahel countries security and defence trainees. The objectives of reinforcing a regional approach in the EU work in the region is to support cross-border cooperation in the Sahel and regional cooperation structures, and to enhance national capacities of the G5 Sahel countries. The EU supports the efforts the G5 Sahel countries and will work together against terrorism and any other threat to security and peace. On 19 June, the Council adopted conclusions on Mali and the Sahel which, in particular, strongly condemn the terrorist attack of 18 June in Bamako (Mali). The conclusions recall that the EU has a strong integrated approach towards achieving stabilisation of the region, including a full range of relevant instruments in the field of diplomacy, long-term development cooperation, support to human rights, stabilisation efforts, resilience building, humanitarian assistance, migration management and security, including CSDP missions. 20 June 2017 10502/17 9 EN DEVELOPMENT EU response to 2030 agenda for sustainable development The Council adopted conclusions stressing the commitment of the EU and its member states to achieving the 17 sustainable development goals set out by the UN's 2030 agenda for sustainable development, adopted in September 2015. The conclusions reaffirm the EU's leading role in promoting an agenda addressing the economic, social and environmental dimensions of sustainable development. They set out the steps to be taken and means to be used to achieve full implementation of the 2030 agenda, and emphasise the importance of regular and transparent monitoring of the progress achieved. See press release JUSTICE AND HOME AFFAIRS Uniform format for short-stay visas The Council adopted a regulation amending regulation (EC) no 1683/95 laying down a uniform format for visas. This regulation establishes a new common design for the visa sticker to update its security features in order to prevent forgery. Press release - Uniform format for short-stay visas (Schengen): Council adopts regulation on the update of security features in the visa sticker New psychoactive substances directive The Council formally confirmed the political agreement (9955/17) reached earlier this year on the proposal for a directive amending council framework decision 2004/757/JHA of 25 October 2004 laying down minimum provisions on the constituent elements of criminal acts and penalties in the field of illicit drug trafficking, as regards the definition of drug. For more information, see the press release published on 29 May 2017 20 June 2017 10502/17 10 EN EU action ***plan*** on drugs (2017-2020) The Council adopted the new EU action ***plan*** on drugs covering the period 2017-2020 (9954/17). Building on the findings of the evaluation of the EU drugs strategy for 2013-2020 and the action ***plan*** for 2013-2016, the new action ***plan*** on drugs provides a strengthened response to the newly emerging health and security challenges in the area of illicit drug use and trafficking. While maintaining and updating the core policy areas and cross-cutting themes of the overall EU drugs strategy, the new action ***plan*** identifies new priority areas for action, including the monitoring of new psychoactive substances, as well as the use of new communication technologies for the prevention of drug abuse and evidence-gathering on the potential connection between drug trafficking and the financing of terrorist groups, organised crime, migrant-smuggling or trafficking in human beings. For more information, see the press release from the European Commission on the presentation of the action ***plan*** - 15 March 2017 ***AGRICULTURE*** Campylobacter in broiler carcasses The Council did not oppose the adoption of a Commission regulation amending regulation (EC) no 2073/2005 as regards Campylobacter in broiler carcasses (8950/17 + 8950/17 ADD 1). Commission regulation (EC) no 2073/2005 lays down the microbiological criteria for certain micro-organisms and the implementing rules that food business operators must comply with in respect of general and specific hygiene requirements. In particular the regulation lays down 'process hygiene criteria' which set indicative contamination values above which corrective action is required in order to maintain the hygiene of the process in compliance with food law. The new Commission regulation amends regulation (EC) no 2073/2005 by setting a process hygiene criterion for Campylobacter in broiler carcasses. The objective is to reduce the risk of human campylobacteriosis, which is linked to broiler meat and is one of the most commonly reported human food-borne illnesses in the EU. 20 June 2017 10502/17 11 EN CUSTOMS UNION Tariffs and quotas on certain products The Council adopted a regulation amending regulation (EU) no 1388/2013 opening and providing for the management of autonomous tariff quotas of the Union for certain ***agricultural*** and industrial products (9766/17). The regulation aims to ensure that adequate and uninterrupted supplies of products which are not ***produced*** in sufficient quantity in the EU can be imported at reduced or zero duty rates under the common customs tariff for appropriate volumes, without disturbing the markets for such products. The Council also adopted a regulation amending regulation (EU) no 1387/2013 suspending the autonomous common customs tariff duties on certain ***agricultural***, fishery and industrial products (9794/17).

**Load-Date:** August 1, 2017

**End of Document**