

And Elizabeth writes: “I am disappointed with how our current administration is portraying our nation to the rest of the world. I think the people of the United States are stronger, more loving, and kinder people than what is being shown, and I think we need to take individual action in order to show this.”

The voices of these young Vermonters are emblematic of what I hear from Vermonters across our State. We all want to keep our country safe; of that, there is no question. But President Trump’s travel ban ignores the clear fact that refugees are the most stringently vetted travelers to the United States. His Executive order provokes and plays on fear. It does not make us safer.

Benjamin Franklin once famously said, “Those who give up essential liberty, to purchase a little temporary safety, deserve neither liberty nor safety.” I hope all Senators will listen to the words of these young Vermonters. President Trump’s Executive order does little to enhance our security, but does great damage to the freedoms that are the cornerstone of our good and great Nation.

ARMS SALES NOTIFICATION

Mr. CORKER. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of certain proposed arms sales as defined by that statute. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Senate Foreign Relations Committee.

In keeping with the committee’s intention to see that relevant information is available to the full Senate, I ask unanimous consent to have printed in the RECORD the notifications which have been received. If the cover letter references a classified annex, then such annex is available to all Senators in the office of the Foreign Relations Committee, room SD-423.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY
COOPERATION AGENCY,
Arlington, VA.

Hon. BOB CORKER,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 16-81, concerning the Department of the Army’s proposed Letter(s) of Offer and Acceptance to Singapore for defense articles and services estimated to cost \$66 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J.W. RIXEY,
Vice Admiral, USN, Director.

Enclosures.

TRANSMITTAL NO. 16-81

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Singapore.
- (ii) Total Estimated Value:
Major Defense Equipment* \$42 million.
Other \$24 million.
Total \$66 million.
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:
Major Defense Equipment (MDE):
Two thousand (2,000) XM395 Accelerated Precision Mortar Initiative (APMI) rounds.
Non-MDE includes: U.S. Government and contractor services, mortar tube compatibility testing and/or modification, and other associated support equipment and services.
- (iv) Military Department: Army (VGG).
- (v) Prior Related Cases, if any: None.
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex Attached.
- (viii) Date Report Delivered to Congress: March 13, 2017.

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Government of Singapore—XM395 Accelerated Precision Mortar Initiative (APMI) Rounds

The Government of Singapore has requested a possible sale of two thousand (2,000) XM395 Accelerated Precision Mortar Initiative (APMI) rounds; U.S. Government and contractor services; and other associated support equipment and services. The total estimated cost is \$66 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been, and continues to be an important partner and force for political stability and economic progress in the Asia Pacific region.

The Government of Singapore intends to use these defense articles and services to modernize its armed forces to meet current and future threats, to strengthen its homeland defense, and to provide greater security for its economic infrastructure. The Government of Singapore will have no difficulty absorbing XM395 APMI mortar rounds into its armed forces.

The proposed sale of this equipment and support does not alter the basic military balance in the region.

The prime contractor will be Orbital ATK. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require U.S. Government personnel or U.S. contractor representatives to travel to Singapore for a period of one (1) week for equipment fielding and acceptance testing by the Quality Assurance Team.

There will be no adverse impact on US. defense readiness as a result of this proposed sale.

TRANSMITTAL NO. 16-81

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act

Annex Item No. vii

- (vii) Sensitivity of Technology:
1. The XM395 Accelerated Precision Mortar Initiative (APMI) is a Global Position System (GPS), Precise Positioning Service (PPS) guided 120mm high explosive mortar cartridge capable of enemy defeat with low collateral damage. It utilizes a Precision Light-Weight Universal Mortar Setting Sys-

tem (PLUMSS) that contains an Improved Platform Integration kit (iPIK) to load GPS coordinates, mission trajectory and fuze mode data into the mortar round. The GPS PPS crypto key is loaded into the iPIK by system key loader PYQ-10. Both the XM395 and the iPIK contain a Selective Availability Anti-Spoofing Module (SAASM). The XM395 has 90% commonality with the Army’s M1156 Precision Guided Kit. The overall system classification is SECRET.

2. XM395 utilizes the Army’s M782 Multi-Option for Artillery (MOFA) Proximity Height of Burst (HOB) Technology. The HOB sensor is comprised of components with technologies deemed as state of the art, requiring specialized production skills. The sensitive/critical technology is primarily in the design, development, production and manufacturing of the components (integrated circuits and assembly), and the integration methodology required to integrate those components onto an assembly to process embedded data (the software—algorithm—working parameters). The overall system classification is SECRET.

3. Disclosure of this technology could result in an adversary developing countermeasures, thus lessening the effect of the projectile. Disclosure of test data, countermeasures, vulnerability/susceptibility analyses, and threat definition could allow reverse engineering and use by an adversary for possible use against U.S. and Coalition forces. Compromise could jeopardize the U.S. inventory through jammer development by adversaries. The risk of compromise has been assessed as moderate. Risk is reduced for fuze/munitions if adequately controlled and protected in storage and on the battlefield. Risk is mitigated by the prevention of disclosure of sensitive classified information (the know-how, software, and associated documentation).

4. A determination has been made that the recipient country can provide the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

5. All defense articles and services listed in this transmittal have been authorized for release and export to Singapore.

AGRICULTURE INDUSTRY
MERGERS

Mr. GRASSLEY. Mr. President, I ask unanimous consent to be printed in the RECORD the concerns of the Summit Agricultural Group regarding three mergers in the agriculture industry. Specifically, this group is concerned with the mergers between Bayer AG and Monsanto, DuPont and Dow Chemical, and China National Chemical Corporation—ChemChina—and Syngenta AG. The paper states that “the mergers of these international agrochemical and seed giants will significantly reduce competition and innovation in the agricultural sector, and will cause irreparable harm to the American farmer via increased input costs.”

As my colleagues are aware, I have long been concerned about concentration and competition in the agriculture sector. Increased concentration in the industry could significantly reduce choice and raise the price of chemicals and seed for farmers, which ultimately can affect choice and costs for consumers. Moreover, further consolidation could diminish crucial research

and development initiatives which drive have innovation and technological advances for the agricultural sector. I have also raised concerns about the competitive advantages that are likely to result from the ChemChina-Syngenta transaction.

I have written several letters to both the Justice Department and the Federal Trade Commission expressing my concerns and asking that they carefully review these mergers and collaborate, as appropriate, on their analysis of the impact on the agricultural industry. These regulators need to take a hard look at both the efficiencies and the benefits that the merging companies believe will result from these transactions, as well as the concerns raised by independent and small players in the market, farmers, and consumers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE SUMMARY: AGRICULTURE MERGERS

Background: Bayer AG and Monsanto, DuPont and Dow Chemical, and China National Chemical Corporation (ChemChina) and Syngenta AG have all announced their intentions to merge. The mergers of these international agrochemical and seed giants will significantly reduce competition and innovation in the agricultural sector, and will cause irreparable harm to the American farmer via increased input costs.

Market Structure: Many view market share in terms of retail sales; however, the underlying structure should be examined to determine competitive dynamics. Almost all commercial seed sold for planting a crop is composed of germplasm “genetics” and transgenic traits, which are genes inserted to alter the seed, for example Monsanto’s Roundup® gene made plants tolerant to Roundup® herbicide. When an independent seed company, say Becks Hybrids, wants to sell seed they need to acquire a license to both the germplasm and transgenic trait, and pay the licensor both germplasm and trait fees on each bag of seed they sell. Without access to high yielding and performing germplasm, the addition of the transgenic traits is almost irrelevant. Plainly stated: If you have a gene that makes a horse that runs faster, but no horses, it’s a problem.

Competitive Issues: Given this, concentration of germplasm into few companies would give them the ability to bundle their germplasm, transgenic traits, and chemicals together, creating significant pricing power. Further, because germplasm is the building block of the seed it would significantly reduce incentives for independent innovation—if a new trait is discovered, what options would a third party have to combine with competitive germplasm and get to market? Lastly, independent seed companies would be irreparably harmed given the need to acquire germplasm from potentially two companies that control 90% + of all genetics in the market.

Practical Historical Examples: When the Roundup® chemical came off-patent, Monsanto was able to increase the Roundup Ready® seed trait licensing fee by multiples to offset the revenue decline. More recently, when Monsanto’s Roundup Ready® seed trait was about to come off-patent they gave it to the market. However, other germplasm breeding companies had already committed breeding programs to the new patented Roundup Ready 2 Yield® technology. Given the 5-6 years required to breed a new trait

into germplasm, when farmers had the ability to buy the now generic Roundup Ready® trait, there was and is no competitive germplasm to put it in. Plainly put, more consolidation will only serve to increase the prevalence of anti-competitive actions caused by consolidated ownership of germplasm, transgenic traits, and chemicals.

DETAILED DISCUSSION: AGRICULTURE MERGERS

Background: Bayer AG and Monsanto, DuPont and Dow Chemical, and China National Chemical Corporation (ChemChina) and Syngenta AG have all announced their intentions to merge in 2017. The mergers of these international agrochemical and seed giants will significantly reduce competition and innovation in the agricultural sector, and will do irreparable harm to the American farmer.

Market Share Dominance: Corn is the single most important grain crop in the U.S., grown on 94 million acres with a finished crop worth \$50 billion. The U.S. grows 40% of the world’s corn supply, exported 13% of the crop in 2016, and corn is an important component of the positive U.S. trade balance of \$35 billion stemming from agriculture. As the graph at right shows, if these mergers are allowed to proceed, two companies: Dow-DuPont and Bayer-Monsanto would effectively control the U.S. corn market at the most basic level—the germplasm. Breeding with germplasm for higher yields and agronomic performance is still the number one factor for success on the farm.

While industry data shows Monsanto has 36% of the seed corn market, it uses a licensing model whereby the independent seed companies (the other 17% in the table below) effectively distribute Monsanto hybrid seed corn and traits through their own brands, paying Monsanto two different royalties: one for germplasm (genetics) and one for the transgenic traits. Further, Monsanto licenses out different, and many would argue inferior, germplasm to the independent seed companies than the germplasm it uses in its own brands. The smaller independent seed companies receive inferior germplasm to the larger independent seed companies, and may pay a higher royalty per unit to do so. DuPont primarily sells its hybrid seed corn through its own sales channels.

Soybeans are the most important oilseed crop in the U.S., planted on 84 million acres, and representing a finished crop of \$35 billion at the farm level in 2016. As with corn, Monsanto uses a licensing model to distribute soybean genetics and traits through independent companies. Monsanto has 90% market share in soybean transgenic traits through their own brands, independent licensees, and through licensing to DuPont and Syngenta.

Syngenta and DuPont have paid-up licenses for the Monsanto soybean transgenic traits, which means the Syngenta and DuPont germplasm and breeding programs are all on the Monsanto transgenic trait platform. With the paid-up license to the Monsanto soybean transgenic traits, Syngenta and DuPont have a margin opportunity on the transgenic trait royalty to take market share from the independent seed companies.

To illustrate the power of the germplasm performance, Monsanto agreed to give its first-generation transgenic trait Roundup Ready® to the market, as it was coming off patent. The problem is the other companies with germplasm breeding programs had already committed their breeding efforts to the new patented Roundup Ready 2 Yield® technology. Since it takes 5-6 years to breed a new trait into high performing germplasm, by the time farmers had the ability to buy the now generic Roundup Ready® transgenic trait, there was and is no competitive germplasm available to put it in.

Barriers to Entry: Given the costs and timelines for the development of transgenic traits and plant breeding, new competition and innovation will be limited. Transgenic traits have to be integrated into the germplasm without impacting the crop in other negative ways. As noted in corn, the germplasm is controlled primarily by two companies: Bayer-Monsanto and DuPont-Dow, with ChemChina-Syngenta having a small share. In soybeans, Bayer-Monsanto would control over 90% of the soybean transgenic traits that are contained in the Monsanto, DuPont, and Syngenta soybean germplasm.

As agriculture is a global market, new transgenic traits have to be approved in all export countries in order for a U.S. farmer to be comfortable knowing there will be a market for his crop. The current international transgenic regulatory approval process can take over 8 years and can cost in excess of \$150 million per trait. This international regulatory burden means that only the largest companies have the means and capabilities to get a new transgenic trait approved for use by U.S. farmers. This limits the ability for any company with new transgenic traits ever getting them to the market. Aside from the enormous expense, the control of the high performing germplasm and required transgenic trait platforms, almost certainly eliminates the entry of new innovation and trait technologies by any company other than those contemplating the mergers. In the past ten years China has used its regulatory approval process as a trade tool, which makes the acquisition of Syngenta by ChemChina (a state-owned enterprise) even that much more unsettling.

Ability to Bundle: Aside from fertilizer, a farmer has to buy seeds (inclusive of transgenic traits), seed treatments, and crop protection chemicals (herbicides, fungicides, and insecticides) each year. Given the vertical integration and dominant market position of these companies, major bundling opportunities exist. These companies will have the opportunity to require farmers to buy seed, seed treatments, and crop protection chemicals even though superior chemistry or generic alternatives may exist. Often these bundles of seeds, traits, seed treatments, and crop protection chemicals are part of the patent protection these companies have in place, or in connection with sales promotions and programs. It is impossible for an independent seed company to compete with this type of vertical bundling opportunities. Monsanto has already been accused of bundling its Roundup® herbicide with the access to its seed and traits, even though a generic version of glyphosate herbicide is readily available to farmers at a fraction of the price.

International Implications: As the graph on the right indicates, these companies have significant market share in crop protection chemicals on a global basis. The same holds true for their seeds and transgenic traits in the countries which have approved their cultivation including Argentina, Brazil, and Canada. The impacts on the farmers in these countries will no doubt be the same as in the U.S.

Near-Term and Long-Term Negative Impact: If these mergers are allowed to proceed there will be negative impacts throughout agribusiness. Research for new transgenic traits and other biotech innovations will be stifled as the ability to take such traits to the market in competitive genetics will be controlled by two companies. The ability to stack any new traits and/or technology will be controlled by the patent protections the merging companies hold on their germplasm and related trait technologies.

In the near-term, the existing independent seed companies who rely on licensing from

Monsanto for their corn and soybean germplasm and traits to be sold in their brands will be squeezed given that the new merged companies will need to increase market share and profits for their shareholders to justify the mergers. Independent seed companies cannot compete with the bundling opportunities and margins that the merged companies will enjoy with their combined product offerings.

In the longer term, the American farmer will lose as the remaining oligopoly uses their market power, bundling of products, and limited competition to increase the costs for every acre planted. This in turn will increase the costs for consumers in all markets touched by production agriculture.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

ENROLLED JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of January 3, 2017, the Secretary of the Senate, on March 10, 2017, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled joint resolutions:

H.J. Res. 37. Joint resolution disapproving the rule submitted by the Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration relating to the Federal Acquisition Regulation.

H.J. Res. 44. Joint resolution disapproving the rule submitted by the Department of the Interior relating to Bureau of Land Management regulations that establish the procedures used to prepare, revise, or amend land use plans pursuant to the Federal Land Policy and Management Act of 1976.

H.J. Res. 57. Joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of Education relating to accountability and State plans under the Elementary and Secondary Education Act of 1965.

H.J. Res. 58. Joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of Education relating to teacher preparation issues.

Under the authority of the order of the Senate of January 3, 2017, the enrolled joint resolutions were signed on March 13, 2017, during the adjournment of the Senate, by the President pro tempore (Mr. HATCH).

MESSAGE FROM THE HOUSE

At 2:03 p.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 720. An act to amend Rule 11 of the Federal Rules of Civil Procedure to improve attorney accountability, and for other purposes.

H.R. 725. An act to amend title 28, United States Code, to prevent fraudulent joinder.

H.R. 985. An act to amend the procedures used in Federal court class actions and multidistrict litigation proceedings to assure fairer, more efficient outcomes for claimants and defendants, and for other purposes.

The message also announced that pursuant to section 2 of the Migratory

Bird Conservation Act (16 U.S.C. 715a), and the order of the House of January 3, 2017, the Speaker appoints the following Member of the House of Representatives to the Migratory Bird Conservation Commission: Mr. Thompson of California.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 720. An act to amend Rule 11 of the Federal Rules of Civil Procedure to improve attorney accountability, and for other purposes; to the Committee on the Judiciary.

H.R. 725. An act to amend title 28, United States Code, to prevent fraudulent joinder; to the Committee on the Judiciary.

H.R. 985. An act to amend the procedures used in Federal court class actions and multidistrict litigation proceedings to assure fairer, more efficient outcomes for claimants and defendants, and for other purposes; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC-996. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Streptomycin; Pesticide Tolerances for Emergency Exemptions" (FRL No. 9957-65) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Agriculture, Nutrition, and Forestry.

EC-997. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Oxytetracycline; Pesticide Tolerances for Emergency Exemptions" (FRL No. 9959-19) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Agriculture, Nutrition, and Forestry.

EC-998. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Flupyradifurone; Pesticide Tolerances for Emergency Exemptions" (FRL No. 9958-75) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Agriculture, Nutrition, and Forestry.

EC-999. A communication from the General Counsel of the Federal Housing Finance Agency, transmitting, pursuant to law, the report of a rule entitled "Freedom of Information Act Implementation" (RIN2590-AA86) received in the Office of the President of the Senate on March 9, 2017; to the Committee on Banking, Housing, and Urban Affairs.

EC-1000. A communication from the Assistant General Counsel for Legislation, Regulation and Energy Efficiency, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Energy Conservation Program: Energy Conservation Standards for Commercial Preinse Spray Valves" (RIN1904-AD31) received in the Office of the President of the Senate on March 7, 2017; to the Committee on Energy and Natural Resources.

EC-1001. A communication from the Director of the Regulatory Management Division,

Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval of California Air Plan Revisions, Yolo-Solano Air Quality Management District" (FRL No. 9958-43-Region 9) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Environment and Public Works.

EC-1002. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval of California Air Plan; Owens Valley Serious Area Plan for the 1987 24-Hour PM10 Standard" (FRL No. 9958-80-Region 9) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Environment and Public Works.

EC-1003. A communication from the Director of Congressional Affairs, Office of New Reactors, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Enforcement Guidance Memorandum 15-002, Revision 1: Enforcement Discretion for Tornado-Generated Missile Protection Non-Compliance" (EGM 15-002) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Environment and Public Works.

EC-1004. A communication from the Board Members, Railroad Retirement Board, transmitting, pursuant to law, an annual report relative to the Board's compliance with the Government in the Sunshine Act during calendar year 2016; to the Committee on Homeland Security and Governmental Affairs.

EC-1005. A communication from the Chairman, National Endowment for the Humanities, transmitting, pursuant to law, the Endowment's Performance and Accountability Report for fiscal year 2016 and the Uniform Resource Locator (URL) for the report; to the Committee on Homeland Security and Governmental Affairs.

EC-1006. A communication from the Management and Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; The Boeing Company Airplanes" ((RIN2120-AA64) (Docket No. FAA-2016-6670)) received in the Office of the President of the Senate on March 7, 2017; to the Committee on Commerce, Science, and Transportation.

EC-1007. A communication from the Attorney-Advisor, U.S. Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Operation Regulation; Sturgeon Bay, Sturgeon Bay, WI" ((RIN1625-AA09) (Docket No. USCG-2017-0050)) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Commerce, Science, and Transportation.

EC-1008. A communication from the Attorney-Advisor, U.S. Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Special Local Regulation; Black Warrior River; Tuscaloosa, AL" ((RIN1625-AA08) (Docket No. USCG-2017-0032)) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Commerce, Science, and Transportation.

EC-1009. A communication from the Attorney-Advisor, U.S. Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Special Local Regulation; Black Warrior River; Tuscaloosa, AL" ((RIN1625-AA08) (Docket No. USCG-2017-0034)) received in the Office of the President of the Senate on March 8, 2017; to the Committee on Commerce, Science, and Transportation.

EC-1010. A communication from the Attorney-Advisor, U.S. Coast Guard, Department