What to expect from the 2019 South EU Summit



Spain, Portugal, France, Malta, Italy, Greece and Cyprus will meet to discuss security, energy and migration.

Nicosia, Cyprus — The fifth South EU Summit takes place on Tuesday in the Cypriot capital of Nicosia, where the issue of migration is again expected to be one of the key headlines of the one-day event.

The seven countries that make up SEUS — Spain, Portugal, France, Malta, Italy, Greece and Cyprus — first met in 2016 with the objective to increase cooperation and coordination by the European Union over security and migration.

Together, the SEUS countries, which are united along cultural similarities as well as similar economic models and geopolitical challenges, make up nearly 40 percent of the EU's total population and gross domestic product, as well as half of the European bloc's coastline.

The global refugee and migrant phenomenon that has landed at the doorstep of Europe in the past few years has alarmed European leaders and contributed to the rise of populism and far-right nationalist movements.

In particular, the Syrian refugees arriving from their warravaged country have shone a spotlight on asylum policies with politicians using these selectively to win over voters.

EU migration policy

Last year's summit pledged to address the root causes of mass migration, as well as to reform the Common European Asylum System.

Olga Demetriou, an associate professor of post-conflict reconstruction and state-building at Durham University, told Al Jazeera in the last four years there has been a welcome change in discourse, now referring to the issue of migration as "responsibility sharing" as opposed to what used to be conveyed as "burden sharing".

This is "an acknowledgement that refugee protection is the responsibility of states and not a strain," she said.

"However, it is still far from evident that humaneness and inclusion are the driving forces of European and state policies."

SEUS has "widely diverging stances on the issue" and the current system is aimed at greater convergence between policies relating to recognition of asylum across the EU — a factor with a worrying precedent.

"Having looked at rates in a comparative perspective over the last 20 years, history is teaching us that such convergence tends to be downward rather than upward,"

Many EU member states have also not followed through on achieving the target numbers it set regarding a relocation

programme that ended in 2017.

Another worrying aspect of this strategy, she continued, is what it says about "qualification for refugee protection", as it envisions more restrictions on people who awarded "complementary protection" — that is, people who have not been recognised as refugees under the terms of the 1951 Convention but still face a risk if returned to their countries.

"The current plans re-entrench this faulty understanding and in fact make it stricter," said Demetriou. "And they additionally propose to restrict the temporal aspect of protection with a view to sending refugees back eventually."

These last two points are at odds with the promise of integration, which the EU sees as a priority.

Energy and Brexit

Farid Mirbagheri, a professor of international relations at the University of Nicosia, told Al Jazeera that energy security is another topic that will be focused on during the summit.

"There is the all important of Mediterranean gas being piped to Europe via Cyprus, Greece and Italy," he said.

"That would include the East-Mediterranean project laying 2,000km of pipes on the seabed," he continued, adding this will have an effect on the Russian monopoly of fuel supply to Europe.

Other topics include climate change, which was "conspicuously absent from last year's summit statement", Demetriou said, and Brexit, "an overriding concern across Europe that has brought home the crisis of political legitimacy" the EU has been suffering from.

What's behind the growing dispute between Italy and France? "Brexit effect is devastating for the EU in the sense that,

ultimately, the idea that has always driven the Union since its inception has been peace," Demetriou explained.

"Considering how much of the discussion on the Brexit as a still-unfolding crisis is premised on the complications arising from the peace agreement in Northern Ireland, that overarching idea is effectively put into question," she said.

According to Demetriou, despite Brexit acting as a deterrent for other EU member states against "experimenting with leaving" the block — as showcased by UK Prime Minister Theresa May's own party and the opposition voting overwhelmingly against her deal — it has shaken other European leaders from being complacent of the role and function of the EU.

"I don't think that European politicians should rest assured in the Union they are left with," Demetriou said.

"Brexit has demonstrated that exiting the EU is a messy, uneasy and probably a very costly option for member states," Mirbagheri agreed.

Furthermore, he said, the current state of international politics, demonstrated by the willingness of the United States' government to part ways with European powers, has highlighted the significance of sustaining "a cohesive and credible EU".

"Without US political support, European countries would find themselves more vulnerable to pressure applied by their eastern neighbour, the Russian Federation," Mirbagheri said.

"Britain leaving the EU obviously reduces the weight of the EU in global affairs, yet it highlights the importance of staying more united to compensate for that deficit."

رودي بارودي في مؤتمر أثينا: لترسيم الحدود لعمليات استكشاف النفط

Euro-Mediterranean, Regional Security Challenges: "How Defining Maritime Boundaries Would Bolster Stability"







ATHENS, Greece: Steps to define maritime borders between Lebanon and Israel would help stability throughout the East Mediterranean region, a leading energy expert told a key industry conference in Athens on Monday.

"In the past, borders were defined by wars; nowadays, with the UN and UNCLOS [or United Nations Convention on the Law of the Sea], all Maritime differences can be resolved peacefully," Roudi Baroudi, a 40-year industry veteran, told the Athens Energy Forum. "With modern science and advanced imagery, new technologies give us unprecedented opportunities to reach our goals for Maritime Boundaries with a diplomatic/legal approach." Baroudi pointed out also that the Mediterranean countries have 95 Actual Maritime Boundaries out of which 31 only Treaties and 64 are unresolved.

Baroudi, who serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha, spoke on the opening day of the two-day Athens Energy Forum (AEF) at the Grand Hyatt Athens hotel.

"With a multi-disciplinary approach — a mixture of law and

science — we can get to fair and just Maritime partitioning without going to war," he told the audience. "If we review the region's current offshore oil and gas concession blocks, we quickly determine how these blocks are impacting certain un-demarcated Maritime Boundaries, and this is where the best law and the best science can give all countries a fair share."

Speaking on the sidelines of the event, Baroudi said a diplomatic resolution of the Lebanese-Israeli maritime dispute and other maritime borders disputes between Cyprus, Turkey and Greece would have positive impacts across the region.

"This would send all the right signals to everyone with a stake in the East Med, from governments and their peoples to major energy companies and other investors," he said.

"It would demonstrate by example — even more than last year's landmark five-nation Caspian Sea deal — that even the most intractable disputes can be sidestepped if the principals are willing to be reasonable."

Baroudi has advised companies and governments on several continents about how to approach energy issues, and has helped to formulate policy for key agencies of the European Union and the United Nations. He said any form understanding, direct or not, that allows both Lebanon and Israel to focus on developing their resources would confer significant benefits on the entire region.

"Even for countries not currently on the verge of becoming energy producers, the removal of a key source of friction between Israel and Lebanon would cast regional security in a more positive light, lowering the risk profiles of all business, trade, and investment activities," he added. "And this is not to mention all the advantages that the Lebanon and Israel would gain from new revenues. Israel would make its own choices, of course, but Lebanon would have much more capacity to address pressing national objectives in terms of debt

retirement, deficit reduction, health and education spending, and infrastructure development. Best of all, all of these measures would help alleviate poverty, another major source of local and regional instability."

By all accounts, Baroudi's remarks were delivered in the right room. As in previous years, the AEF attracted numerous executives and other key decision-makers from the private and public sectors like, including Greek Energy Minister George Stathakis.

"Of course it's important to keep reminding the Lebanese and Israeli governments that if they want to exploit their respective energy resources to the fullest, the surest way forward is some kind of peaceful one. It may not even matter what route they take, just so long as they avoid armed conflict and the all the costs that would come with it," he said on the sidelines of the forum. "But we also need to make sure that other players in the region realize that this matters for them as well: after all, if even an informal understanding on offshore resources can be reached between two of the world's most mutually hostile neighbors, it would demonstrate that other rivalries also can be partially overcome for mutual benefit."

This, Baroudi argued, would "bolster regional stability by encouraging other sets of Mediterranean neighbors — especially Cyprus and Turkey — to commit to peaceful means of dispute resolution".

Tax break turns into a levy

for Russia's biggest oil companies



Russia's oil majors thought a new fuel-tax break this year would support the sector. Now, low demand for gasoline in Europe is turning what was expected to be a help into a multimillion-dollar hindrance. "Russian oil companies have become hostages of external market conditions," said Ivan Khomutov, chief executive of- fi cer of Moscow-based energy consultant Petromarket. Weak gasoline prices in Eu- rope have turned tax calcula- tions upside down for Russian oil companies. Major producers may now have to pay as much as 11bn roubles (\$167mn) in extra gasoline levies to the gov- ernment this month alone, ac- cording to Petromarket. This is because the export price for Russian gasoline in Europe has dropped below the baseline set in the tax formula designed to cushion the im- pact of caps on domestic fuel prices. The payments are part of the tax system that comes into force this year and are based on a formula designed to partially compensate fuel producers for potential domestic losses, Alexei Sazanov, director of tax and customs policy at Russia's Finance Ministry, confi rmed by email. The extra levies add to fi nan- cial pressure that Russian oil majors are set to experience in their downstream businesses in 2019. This is due to the govern- ment raising both fuel excise duty and value added taxes. It has also capped domestic gaso- line and diesel prices to avoid social

unrest. "We expect gasoline pay- ments in the range of 3,000 to 4,000 roubles" per ton from oil companies in January, Sazanov said. Russia's energy ministry also sees the industry paying an additional gasoline tax this month, its press service said by e-mail, adding that it's too ear- ly to estimate the total amount which will be raised. As the Russian government capped domestic fuel prices last year and locked in minimal crude supply volumes to do- mestic refi neries, it promised the oil industry a tax break to partially make up for potential losses. The export price for gasoline is based on the average monthly price for Russian fuel in the Dutch port of Rotterdam. This is excluding transport costs and export duty but includes the excise and the value-added taxes. As long as the export price for Russian gasoline in northwest Europe stays above the baseline level — set at 56,000 roubles a ton this year — the nation's oil producers can receive 60% of the price diff erence back every month this year, the govern- ment said. Currently, the export price is around 49,000 roubles, ac- cording to Russia's energy ministry. With the price below the baseline, Russian produc- ers will now have to make pay- ments to the state budget rather than receive them, according to the tax code. When the law was drafted in mid-2018, European gasoline prices were above the baseline. But declining margins amid a supply glut have changed the outlook for gasoline. If European gasoline margins stay near current levels, Rus- sia's oil industry may continue paying the surprise tax for as long as Brent crude remains below \$69 a barrel, Petromarket's Khomutov said. The international benchmark is currently trading below \$62 a barrel.

Turkey to begin drilling for resources around Cyprus



ISTANBUL (Reuters) — Turkey will begin drilling for resources around Cyprus, Foreign Minister Mevlut Cavusoglu said on Friday, a move that could create tensions with neighboring Cyprus and Greece over ownership of natural resources.

Attempts to tap gas and oil in the eastern Mediterranean have caused friction between Athens and Ankara.

Turkey and the internationally recognized Greek Cypriot government in Cyprus have overlapping claims of jurisdiction for offshore oil and gas research in the eastern Mediterranean, a region thought to be rich in natural gas.

Turkey will start drilling around Cyprus because the Greek Cypriot government did not listen to Ankara's suggestions to ensure the rights of Turkish Cypriots, Cavusoglu said during an interview following a meeting with the Turkish Cypriot leader Mustafa Akinci.

"Our second platform is coming in February. We were going to send it to the Black Sea, now we are sending it to the Cyprus area," Cavusoglu said.

"Our drill ship Fatih is currently in the Alanya-1 area, its work there will be done in March. We are shifting that to the south too," he added.

He did not specify whether Turkey would drill for oil or natural gas.

Turkey launched its first drill ship "Fatih" in October to drill off the coast of Turkey's southern Antalya province and had said a second ship that it purchased would operate in the Black Sea.

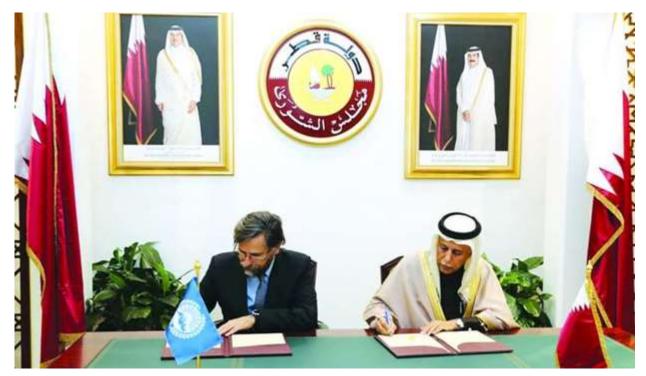
Breakaway north Cyprus, which is supported by Turkey, says any offshore wealth also belongs to them, as partners in the establishment of the Republic of Cyprus in 1960.

Greek Cypriots, who run the island's internationally recognized government, say any future benefits of gas finds will eventually be shared by all Cypriots.

Cavusoglu said Ankara would not be satisfied by such statements.

The island was split in 1974 after a Turkish invasion triggered by a brief Greek-inspired coup. Countless peacemaking endeavors have failed, and offshore wealth has increasingly complicated peace negotiations even though Greek Cypriots say that matter is not up for discussion.

Advisory Council Speaker meets Mediterranean parliamentarians



QNA/Doha

HE the Speaker of the Advisory Council Ahmed bin Abdulla bin Zaid al-Mahmoud met the president of the Parliamentary Assembly of the Mediterranean (PAM), Antonio Pedro Roque, and Secretary General of PAM Sergio Piazzi in Doha Wednesday.

During the meeting they discussed parliamentary relations between the Advisory Council and PAM, which includes 29 parliaments from Mediterranean countries. They also discussed ways to develop these relations and reviewed a number of issues of common interest.

Following the meeting, they signed a memorandum of understanding (MoU) between the Advisory Council and PAM, reflecting the friendly relations and solidarity that link Qatar with Mediterranean countries. It also reaffirms the role of parliaments in promoting relations between people and maintain peace and security around the world.

The MoU was signed by HE the Speaker of the Advisory Council Ahmed bin Abdulla bin Zaid al Mahmoud and President of PAM

Antonio Pedro Roque.

Under the MoU, both parties will co-ordinate on important issues related to bilateral ties, take necessary procedures that contribute to unifying the positions of both parties and cooperation between the Advisory Council delegation and the delegations that represent PAM in different meetings, conferences, forums and international platforms, as well as exchange expertise between both parties.

The MoU involves creating concrete initiatives to promote peace and security in the region and around the world, as well as implement the goals of the United Nations especially those related to achieving sustainable development and fighting poverty.

The MoU also includes working on the proper implementation of the UN principles and international law which target achieving an international community, that is secure and peaceful and free from war and the use or threat of force.

The MoU also involves discussing topics and issues found on international parliamentary conference agendas and co-ordinate and unify positions on the issues, as well as exchange information between both parties on legislative, legal and political matters, exchange publications and legislative texts available to both parties and work to achieve a partnership between the Advisory Council in Qatar and PAM.

ECB's Draghi warns of weaker growth ahead



Reuters/Frankfurt

European Central Bank President Mario Draghi acknowledged yesterday that economic growth in the eurozone was likely to be weaker than earlier expected due to the fall-out from factors ranging from China's slowdown to Brexit The region's economy is already suffering its biggest slowdown in half a decade, raising questions over whether the ECB will be able to increase interest rates for the first time in a decade later this year as its current guidance indicates.

The ECB left that guidance and interest rates unchanged at its meeting yesterday.

But Draghi's downbeat comments, including a reference to "downside" risks, will fuel market speculation that the bank will delay any rate hike, mirroring a more cautious approach by the US Federal Reserve, and may offer new cheap loans to banks.

"The risks surrounding the euro area growth outlook have moved to the downside on account of the persistence of uncertainties," Draghi told a news conference, citing trade and geopolitical threats and emerging market volatility.

"The near-term growth momentum is likely to be weaker than previously expected."

His comments pushed the dollar to a more than five-week high against the euro.

The single currency was 0.45% lower against the dollar at \$1.1329, after falling as low as \$1.1308, its weakest since December 17.

Despite citing the rising risks, Draghi nonetheless reeled off reasons for not changing policy now, notably the strength of the region's labour market and rising wage growth, which he said would help push underlying inflation up over the medium term.

"The key factor to assess is the persistence of the uncertainty," he said, adding he was confident that those uncertainties — ranging from the outcome of Brexit to China's slowdown and trade protectionism — were being addressed.

"The Governing Council will give itself more time to assess whether all these risk factors have affected confidence and we are going to have another discussion in March when we will also have the new (growth) projections."

Draghi said the Governing Council was unanimous both in acknowledging the growth slowdown and the factors causing it but some policymakers were less optimistic than others about the economic outlook.

With the ECB already owning a quarter of the eurozone's outstanding governing debt, analysts were expecting it to turn to other instruments to keep credit flowing. A new round of cheap multi-year loans to banks, known as Targeted Long-Term Refinancing Operations (TLTRO), was widely seen as the first port of call.

"We do expect an announcement in March that (T)LTROs will be extended, most likely via two-year, variable rate operations," Frederik Ducrozet, an economist at Pictet Wealth Management, said.

Draghi said yesterday TLTROs had been raised by several policymakers but no decision had been taken.

Having ended a landmark €2.6tn (\$3tn) bond purchase scheme just weeks ago, the ECB said yesterday it still expected to keep interest rates at record lows "through" the summer,

sticking with its long-standing guidance even though markets now see a much later move.

Investors see a rate hike only in mid-2020 while a Reuters poll of economists predicted the first rise in nearly a decade in the fourth quarter.

"When markets place the first rate hike in 2020, they are using the state contingent part of our forward guidance...and it shows that they have understood our reaction function," Draghi said.

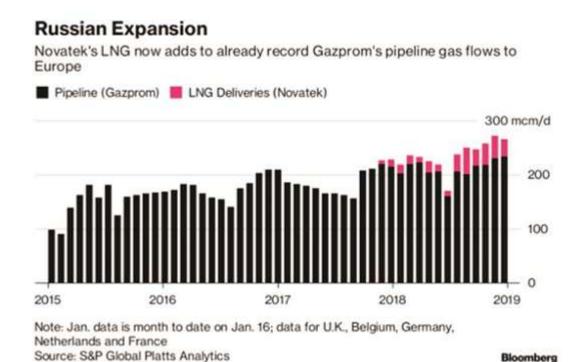
With yesterday's decision, the ECB's deposit rate, now its main benchmark, remains at -0.40% while the main refinancing rate, its key rate during normal times, stands at 0.00%. Germany, France and Italy, the eurozone's biggest economies, barely grew in the fourth quarter of 2018 and survey data showed yesterday business activity across the eurozone expanded at the slowest pace since 2013 at the start of this year.

Draghi said yesterday that the ECB did not see recessions as likely in Germany or Italy but the reference to downside risks meant the central bank had now given up its facade of optimism and joined the Federal Reserve in signalling a more cautious stance.

Some policymakers have in the past objected to changing the risk assessment since such a move would raise expectations of policy action and the ECB is not yet prepared for such a move just weeks after ending its biggest stimulus scheme.

"With today's meeting, the ECB has joined the crowd of concern," Carsten Brzeski, an economist at ING, said."The return of a downside risks to the growth assessment does not, yet, signal any policy changes but only a slight easing bias."

Siberian LNG is unexpected rival for Gazprom in key EU markets



Bloomberg/London

Russia's two biggest natural gas producers have for years competed only at home, but that rivalry has unexpectedly spilled into Europe.

Instead of shipping liquefied natural gas to Asia from a new Siberian plant, lower prices meant Novatek PJSC sent most of those supplies to northern Norway, where it is transferred and taken to European markets. The shipments encroach on a region state-owned Gazprom PJSC has dominated for decades just as it faces increased competition from new suppliers including the US.

"Many people think there was a truce between Novatek and Gazprom to not touch the European market, to save the price for Gazprom," said Jean-Baptiste Dubreuil, a senior natural gas analyst at the International Energy Agency. "Recently there has been a lot of reloads from Norway, which ended up in

some markets in northwest Europe in direct competition with Gazprom.''

Although Gazprom is unlikely to lose its crown in Europe, where it is pumping record volumes to offset declining domestic production and meets more than a third of demand, the increased LNG supply may force it to pare back some flows or risk lower prices. That would be another blow for the stateowned company after Novatek last year briefly overtook it in terms of market capitalisation, despite its far superior production and reserves and its monopoly on Russian pipeline gas exports.

Gazprom and Novatek declined to comment.

Shrinking prices for LNG in Asia made it more attractive for shippers to land the fuel in Europe. That's expected to remain the case through the next winter. The result is that most of the fuel shipped from Novatek's Yamal plant has ended up in Europe since the facility started more than a year ago, though some has gone to other regions. The plan was for those supplies to mainly head to Asian markets, which usually offer a premium for the fuel.

Other pipeline-gas suppliers to Europe, such as Norway, Algeria and the Netherlands, have already had to make room to accommodate that extra gas, but Gazprom's volumes haven't yet been impacted, said James Huckstepp, lead European gas analyst at S&P Global Platts. Gazprom has also topped up sales under long-term contracts with volumes sold on electronic platforms. "Those platform sales have shifted toward those northwestern

European markets, which have seen also an uptick of LNG deliveries," Huckstepp said in a telephone interview. "It is definitely an area where there is the most competition between the two sources."

The Yamal LNG has also meant Europe's dependency on Russian gas has increased but supplies from other sources, including US LNG, have also risen. As the year progresses with a more comfortable storage situation in Europe than last year, Gazprom is unlikely to maintain its record flows, while Yamal LNG volumes will continue to stay in Europe, according to S&P

Global Platts.

"We are expecting a pullback of Russian gas at least from the very strong levels that we saw over the last year as we go into summer 2019," Huckstepp said, envisaging a decline of 24mn cubic meters per day in the summer and also a contraction next winter. "Part of that is down to the amount of LNG coming to Europe."

US oil just a few years from eclipsing its two largest rivals combined



The world's biggest petroleum producer isn't far from pumping more than its two largest rivals combined. By 2025, the US will produce more than 24mn bpd of crude, condensate and natural-gas liquids, exceeding the collective output of Saudi Arabia and Russia, consultant Rystad Energy AS said in a report. That would continue the pattern of meteoric growth in the American oil industry since Opec and its allies began

supply cuts in 2017. Opec producers cut back production sharply during December before their next reductions were due to take effect. "US oil activity and production has built significant momentum," Rystad said on Wednesday. "The growth in US liquids production will naturally be driven by the continuous development of unconventional reservoirs." America's shale revolution has curtailed Opec's power, a shift highlighted when the country briefly became a net oil exporter for the first time in seven decades late last year. That followed 12 months of record crude production, a surge that's continued into 2019. A recent push to 11.9mn bpd topped Saudi output and Russian supply, both of which are subject to cutbacks. Nevertheless, the boom comes at a cost. Capital spending of \$150bn to \$190bn will be needed every year between now and 2025 to meet the forecast level, according to Rystad.

UN chief: We are losing race on climate change



AFP/Davos

The world is "losing the race" against climate change, UN chief Antonio Guterres warned yesterday, demanding bolder action from governments to arrest runaway warming.

Guterres delivered a no-holds-barred appraisal to business and political leaders gathered at the World Economic Forum (WEF) in Davos, which has featured much hand-wringing on the planetary crisis this week.

"In my opinion it is the most important global systemic threat in relation to the global economy," the UN secretary-general told his high-calibre audience.

"Climate change is running faster than what we are," he said. "I believe we are losing the race."

The business community and civil society are increasingly engaged, "but the political will is still very slow", he said, lamenting the position of climate doubters.

"We are moving dramatically into a runaway climate change if we are not able to stop it."

A UN summit last month in Poland, which was designed to advance the Paris climate accord, laid bare continuing fissures over the share of responsibility among countries to cap temperature rises.

The Paris accord has been shaken by the withdrawal of the United States under President Donald Trump, and by threats to do the same by Brazil's new hard-right leader, Jair Bolsonaro. Guterres, on an earlier Facebook Live broadcast, said that the commitments made in Paris were already "not enough" but was "not hopeful" that nations would find the necessary resolve.

"If what we agreed in Paris would be materialised, the temperature would rise more than 3.0° (Celsius)," he said.

"We need countries to make stronger commitments," Guterres said, calling for more measures to mitigate climate change and adapt to it, along with financial aid for poorer countries.

A WEF survey ahead of the Davos meeting found that climate change was the leading concern of forum participants around the world, noting in particular the growing frequency of extreme weather events.

Corporate executives in Davos such as Patrick Pouyanne, the chief executive of French energy giant Total, have been touting their own measures to transition to a greener economy. "We don't look to renewables to be green," he told the CNBC channel in Davos yesterday, noting that electricity is the fastest-growing segment of the energy market.

"We look to renewables because it's the best way to go in to this electricity market, but the electricity market will require also natural gas, so natural gas and renewables." However, activists say companies are not doing nearly enough. One vocal voice in Davos this week has been Swedish 16-year-old Greta Thunberg, who has inspired a wave of climate protests by schoolchildren around the world after delivering a fiery speech at the UN climate summit in Katowice, Poland last month.

"They (companies) have known exactly what priceless values they have been sacrificing to continue making unimaginable amounts of money," she told AFP in an interview.

Former US secretary of state John Kerry, who signed the Paris accord for the United States in 2016, said that 38 out of the 50 US states were implementing their own climate policies despite Trump's withdrawal and vocal scepticism on climate

change.

The Paris pact was based partly on the expectation that the private sector would step up with new investment in areas such as batteries and solar panels, he noted.

"It's not happening enough, and even in Katowice recently, you saw the fight that was taking place, just to be able to try to be reasonable here," Kerry said in Davos on Tuesday, also on CNBC.

"We're heading towards 4.0° Centigrade increase in this century, and the passive indifference that most countries are accepting is basically a mutual suicide pact."

Another idea long in the mix of the climate debate is a carbon tax, which would factor in the polluting price of fossil fuels so as to discourage their use over time.

That has been anathema for many governments, including the United States well before Trump.

However, it is gaining ground anew under an initiative by the Climate Leadership Council that is backed by 27 Nobel economics laureates and four former chairs of the Federal Reserve.

Ted Halstead, president of the US organisation, has been in Davos this week selling the idea of US households getting back the revenue raised, in the form of lump-sum rebates.

Greenpeace welcomed the intervention by Guterres.

"The UN secretary general's speech once again drives the urgency of the climate emergency home," said the environmental group's executive director Jennifer Morgan. "Guterres's argument is compelling and has to be heard."