

U.S. DEPARTMENT OF THE TREASURY

Press Center



Statement from the Treasury Department on the President's Decision Regarding Ralls Corporation

9/28/2012

WASHINGTON – As chair of the Committee on Foreign Investment in the United States (CFIUS), the U.S. Department of the Treasury today issued the following statement about the President's decision regarding Ralls Corporation:

The President issued an order prohibiting the acquisition and ownership of four wind farm project companies by Ralls Corporation, its owners, its subsidiaries, and its affiliates. The order directs Ralls Corporation to divest its interest in the wind farm project companies that it acquired earlier this year, and to take other actions related to the divestment. Ralls Corporation is owned by Chinese nationals, and is affiliated with a Chinese construction equipment company that manufactures wind turbines. The wind farm sites are all within or in the vicinity of restricted air space at Naval Weapons Systems Training Facility Boardman in Oregon.

The President took this action pursuant to section 721 of the Defense Production Act of 1950, as amended by the Foreign Investment and National Security Act of 2007 ("section 721"). Section 721 authorizes the President to suspend or prohibit certain acquisitions of U.S. businesses by foreign persons where he finds that there is credible evidence that the foreign interest exercising control might take action that threatens to impair national security, and where provisions of law other than section 721 and the International Emergency Economic Powers Act do not provide adequate and appropriate authority to protect national security in the matter under review.

The President's action demonstrates the Administration's commitment to protecting national security while maintaining the United States' longstanding policy on open investment. The President exercises his authority under section 721 with a focus on national security concerns and is committed to ensuring the fair and equitable treatment of all foreign investors. The Administration will continue to ensure that the United States remains the most attractive place for businesses to locate, invest, grow, and create jobs. The President's decision is specific to this transaction and is not a precedent with regard to any other foreign direct investment from China or any other country.

The President's decision took into consideration the factors described in subsection 721(f), as appropriate, and the recommendation by the Committee on Foreign Investment in the United States ("CFIUS") that he issue an order prohibiting this transaction. CFIUS is an interagency committee whose purpose is to review transactions that could result in the control of a U.S. business by a foreign person in order to determine the effect of such transactions on the national security of the United States. In assessing the transaction's impact on national security, CFIUS conducted both a 30-day, first-stage review, and an additional 45-day, second-stage investigation. CFIUS's detailed analysis took into account all relevant national security factors, including those elements enumerated in section 721. CFIUS also received a thorough analysis of the threat posed by this transaction from the Office of the Director of National Intelligence, as required by section 721.

CFIUS is chaired by the Secretary of the Treasury and includes as members the Secretaries of State, Defense, Commerce, Energy, and Homeland Security, the Attorney General, the Director of the White House Office of Science and Technology Policy, and the U.S. Trade Representative. The Director of National Intelligence and the Secretary of Labor participate as non-voting, ex-officio members.

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