

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 28, 2012

ORDER

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REGARDING THE ACQUISITION OF FOUR U.S. WIND FARM PROJECT
COMPANIES BY RALLS CORPORATION

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 721 of the Defense Production Act of 1950, as amended (section 721), 50 U.S.C. App. 2170,

Section 1. Findings. I hereby make the following findings:

(a) There is credible evidence that leads me to believe that Ralls Corporation (Ralls), a corporation organized under the laws of Delaware, and its subsidiaries, and the Sany Group (which includes Sany Electric and Sany Heavy Industries), a Chinese company affiliated with Ralls (together, the Companies); and, Mr. Dawei Duan (Mr. Duan) and Mr. Jialing Wu (Mr. Wu), citizens of the People's Republic of China and senior executives of the Sany Group, who together own Ralls; through exercising control of Lower Ridge Windfarm, LLC, High Plateau Windfarm, LLC, Mule Hollow Windfarm, LLC, and Pine City Windfarm, LLC (collectively, the Project Companies), all limited liability companies organized under the laws of Oregon, might take action that threatens to impair the national security of the United States; and

(b) Provisions of law, other than section 721 and the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), do not, in my judgment, provide adequate and appropriate authority for me to protect the national security in this matter.

Sec. 2. Actions Ordered and Authorized. On the basis of the findings set forth in section 1 of this order, considering the factors described in subsection 721(f), as appropriate, and pursuant to my authority under applicable law, including section 721, I hereby order that:

(a) The transaction resulting in the acquisition of the Project Companies and their assets by the Companies or Mr. Wu or Mr. Duan is hereby prohibited, and ownership by the Companies or Mr. Wu or Mr. Duan of any interest in the Project Companies and their assets, whether directly or indirectly through owners, subsidiaries, or affiliates, is prohibited.

(b) In order to effectuate this order, Ralls shall divest all interests in:

- (i) the Project Companies;
- (ii) the Project Companies' assets, intellectual property, technology, personnel, and customer contracts; and
- (iii) any operations developed, held, or controlled, whether directly or indirectly, by the Project Companies at the time of, or since, their acquisition

not later than 90 days after the date of this order, unless such date is extended for a period not to exceed three (3) months, on such written conditions as the Committee on Foreign Investment in the United States (CFIUS) may require. Immediately upon divestment, Ralls shall certify in writing to CFIUS that such divestment has been effected in accordance with this order.

(c) No later than 14 calendar days from the date of this order, the Companies shall:

- (i) remove from the properties on which the Companies have proposed to construct wind farms (including alternate sites) that are identified in the notice filed with CFIUS (Properties) all items, structures, or other physical objects or installations of any kind (including concrete foundations) that the Companies or persons on behalf of the Companies have stockpiled, stored, deposited, installed, or affixed thereon; and
- (ii) provide CFIUS with a statement signed by Mr. Duan and Mr. Wu certifying that the Companies have completed such removal.

(d) The Companies, and any persons acting for or on behalf of the Companies, including officers, employees, and owners, shall cease all access, and will not have any access, to the Properties. Notwithstanding the foregoing, individuals that are U.S. citizens contracted by the Companies and approved by CFIUS may access the Properties solely for purposes of fulfilling the requirements of subsection (c) of this section.

(e) The Companies, Mr. Duan, and Mr. Wu shall not sell or otherwise transfer, or propose to sell or otherwise transfer, or otherwise facilitate the sale or transfer of, any items made or otherwise produced by the Sany Group to any third party for use or installation at the Properties.

(f) Ralls shall not complete a sale or transfer of the Project Companies or their assets to any third party until:

- (i) all items, structures, or other physical objects or installations of any kind (including concrete foundations) that the Companies or persons on behalf of the Companies have stockpiled, stored, deposited, installed, or affixed on the Properties have been removed from the Properties and the Department of Defense has notified the Companies that it has verified the Companies' certification of such removal provided pursuant to subsection (c) of this section;

(ii) Ralls notifies CFIUS in writing of the intended recipient or buyer; and

(iii) Ralls has not received a provisional or final objection from CFIUS to the intended recipient or buyer within 10 business days of the notification in subsection f(ii) of this section. Among the factors CFIUS may consider in reviewing the proposed sale or transfer are whether the buyer or transferee: is a U.S. citizen or is owned by U.S. citizens; has or has had a direct or indirect contractual, financial, familial, employment, or other close and continuous relationship with the Companies or Project Companies, or their officers, employees, or owners; and can demonstrate a willingness and ability to support compliance with this order.

(g) From the date of this order until Ralls provides a certification of divestment to CFIUS pursuant to subsection (b) of this section, the Companies shall certify to CFIUS on a monthly basis that they are in compliance with this order.

(h) Without limitation on the exercise of authority by any agency under other provisions of law, and until such time as the divestment is completed and verified to the satisfaction of CFIUS, CFIUS is authorized to implement measures it deems necessary and appropriate to verify that operations of the Project Companies are carried out in such a manner as to ensure protection of the national security interests of the United States. Such measures may include but are not limited to the following: on reasonable notice to the Project Companies and the Companies, employees of the United States Government, as designated by CFIUS, shall be permitted access, for purposes of verifying compliance with this order, to all premises and facilities of the Project Companies and the Companies located in the United States:

(i) to inspect and copy any books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of the Companies or the Project Companies that concern any matter relating to this order;

(ii) to inspect any equipment and technical data (including software) in the possession or under the control of the Companies or the Project Companies; and

(iii) to interview officers, employees, or agents of the Companies or the Project Companies concerning any matter relating to this order.

CFIUS shall conclude its verification procedures within 90 days after the divestment is completed.

(i) The Attorney General is authorized to take any steps necessary to enforce this order.

Sec. 3. Revocation of Prior Orders. CFIUS's Order Establishing Interim Mitigation Measures of July 25, 2012, and Amended Order Establishing Interim Mitigation Measures of August 2, 2012, are hereby revoked.

Sec. 4. Reservation. I hereby reserve my authority to issue further orders with respect to the Companies or the Project Companies as shall in my judgment be necessary to protect the national security.

Sec. 5. Publication and Transmittal.

(a) This order shall be published in the *Federal Register*.

(b) I hereby direct the Secretary of the Treasury to transmit a copy of this order to the appropriate parties named in section 1 of this order.

BARACK OBAMA

THE WHITE HOUSE,
September 28, 2012.

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