Obama's Giveaway to the Communists

by Phyllis Schlafly

January 16, 2013

The China problem is not just that China is raking in trillions of dollars because of Obama's spending and borrowing binges, and it's not just that government policies encourage well-paying U.S. manufacturing jobs to move overseas. An even bigger problem is that the Obama Administration is about to give Communist China some of our most precious and up-to-date military technology.

This particular chicanery started when the Obama Administration foolishly tried to use taxpayers' money to force green energy to replace fossil fuels. But green energy can't compete in the free market because it's so much more expensive to produce.

Obama gave a half-billion U.S. tax dollars to Solyndra to subsidize making solar panels, yet the company promptly went bankrupt. Then Obama awarded a grant of $250 million of Stimulus money to a firm called A123 to make batteries for electric cars, which also went bankrupt and now is trying to pay off its investors by auctioning the company.

The high bidder at $256 million in a December auction was the Wanxiang Group, which has close ties to Communist China's government. Its chief executive is one of the wealthiest men in China, a prominent figure in the Chinese Communist Party.

This sale is dangerous to U.S. security because it involves the transfer of advanced battery technology using lithium iron phosphate, which produces longer-life, lighter-weight, higher-power and more stable batteries that can operate in both very low and very high temperatures. In China's hands, the new A123 technology will threaten U.S. electrical power and communications grids.

China is eager for this acquisition because of its potential use in space weapons, anti-satellite missiles, lasers, and counterspace systems. Retired navy Vice Admiral Barry Costello, former commander of the Navy's Third Fleet, says the sale of A123 will give a big boost to China's military expansion and warfare capability in space, cyber warfare, and unmanned vehicles, all of which rely on battery power.

One option considered is to sell only the commercial technology to Wanxiang and sell its U.S. defense contracts to a U.S. firm, Navitas Systems. But pretending that A123's advanced technology can be sold to China only for business purposes is a pipe dream.

A123 employs more than 100 scientists and engineers working on sensitive materials that are part of what is scheduled to be sold to Wanxiang. If China gets access to A123's commercial applications, it will be easy for China to reverse-engineer the military applications.

If Wanxiang owns A123's intellectual property and highly skilled technicians, that means controlling today's battery technology plus a ten-year leap in development. Senators John Thune (R-SD) and Chuck Grassley (R-IA) warn that the deal could give Wanxiang "access to these defense contracts and technology used by multiple branches of the U.S. military."

This giant and valuable gift would give Communist China cutting-edge military-grade technology and control of the future supply chain. China would be able to use all this technology to continue its rapid buildup of a military to achieve dominance in the Pacific.

The U.S. military has made a big investment in A123's technology, which the Army's chief of technology acquisition has called the "technology of the decade." To develop it, the Air Force spent $4 million, the Navy spent $700,000, and the Army spent $21.8 million.

This technology is critical to many U.S. military operations, proprietary applications for underwater vehicles, shipboard advanced systems, unmanned ground and air systems, and portable power in satellites, combat vehicles, and precision munitions. It is valuable to support soldiers in unfriendly ground conditions and excessive heat, and can lighten their heavy loads.

More than two dozen members of Congress have spoken out to oppose the sale of A123. Letters have been sent to the Secretaries of the Treasury, Defense, Energy, and Homeland Security urging consideration of the "potential harmful consequences, including any threats to domestic security, innovation leadership, and job creation."

U.S. Trade Representative Ron Kirk, in his year-end report to Congress, accused China of flouting World Trade Organization rules and misusing the complaint procedure to retaliate against other countries. Kirk's

report also accused China of violating WTO rules by forcing other firms to give their trade secrets to China.

Especially since U.S. taxpayers funded the development of these assets, it is contrary to common sense to transfer this cutting-edge battery technology to China and disadvantage U.S. national security. Whether we will allow Wanxiang to buy A123 with its new battery technology is now under review by CFIUS (Committee on Foreign Investment in the U.S.).

Tell your Members of Congress to stop this giveaway of U.S. technology to Communist China.

Further Reading:

United States Shouldn’t Hand Over Battery Technology to China, By Duncan Hunter and Ike Skelton, Jan. 14, 2013