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WASHINGTON, D.C.—U.S. Senators John Thune (R-S.D.) and Chuck Grassley (R-Iowa) today expressed concern over the Committee on Foreign Investment in the United States' (CFIUS) decision to approve the China-based Wanxiang Group Corps.' investment in failed stimulus-funded battery company, A123. Thune and Grassley, who have taken the lead in seeking answers from both the Obama administration and A123 on the use of taxpayer dollars to fund the now-bankrupt green energy company, had urged CFIUS to protect U.S. national security and taxpayer interests as part of the transaction. A123 received over $130 million in taxpayer funds through the president's stimulus bill, including $1 million the day it declared bankruptcy.

"I am troubled by the Obama administration's approval of the Wanxiang purchase of A123," said Thune. "Technology produced by A123 and funded by U.S. taxpayers should not simply be shipped off to China so that the military applications for these materials can be reproduced abroad. Senator Grassley and I remain concerned about the national security implications of this transaction and have called on CFIUS for a full briefing of the review. We will continue to press for answers regarding our national security and taxpayer interests."

"We don't have any answers on what will happen to the technology funded by the U.S. taxpayers," Grassley said. "We don't have any answers on whether U.S. national security concerns are protected. The only thing that's clear is a foreign-owned company will benefit from the millions of dollars given to A123 through the President's stimulus package. That's troubling."

On August 14, 2012, Thune and Grassley sent a letter to the Department of Energy after A123 announced a $450 million investment deal with Wanxiang to express concern about tax dollars going to a struggling company. There were clear indications that A123 was having financial problems even as the administration continued to pour millions of taxpayer dollars into the failing company.

On October 9, 2012, Thune and Grassley sent a letter to A123 expressing their concerns regarding the company's potential agreement to grant Wanxiang majority control of the company. On October 16, 2012, A123 filed for Chapter 11 bankruptcy and appeared to

withdraw from the deal with Wanxiang. Instead, Wanxiang went to auction and bid on A123's assets to acquire the company as part of the bankruptcy proceedings. CFIUS, which is charged with reviewing foreign investments, approved the transaction, according to an announcement today from Wanxiang.

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