



David Leiter

djleiter@mlstrategies.com

Neal Martin

rnmartin@mlstrategies.com

ML Strategies, LLC

701 Pennsylvania Avenue, N.W.

Washington, D.C. 20004 USA

202 434 7300

202 434 7400 fax

www.mlstrategies.com

CHINA UPDATE

Chinese Company to Build Solar Field in Nevada

ENN Group, a Chinese clean energy company, has announced that it will purchase 14 square miles of land in Laughlin, NV, where it will manufacture solar cells and then use those cells to power a 700 megawatt solar farm. The solar project is expected to cost \$5 billion to build, has been hailed as a job creator by local officials, and was reportedly brokered with assistance from Senate Majority Leader Harry Reid (D-NV). If the project does ultimately produce 700 megawatts of electricity, it will be twelve times larger than the current largest solar power plant operating in the U.S.

USMC Arrives in Australia

As part of the Obama administration's "pivot to Asia," the first installment of 200 U.S. Marines has arrived in Darwin, Australia. While widely viewed as a maneuver to establish the U.S. as a Pacific power and counterweight to the Chinese, the Pentagon continues to say that the decision to place the Marines in Australia is not related to U.S.-China relations.

ASEAN Summit 2012

The Association of Southeast Asian Nations (ASEAN) met in Cambodia April 3-4 for its 20th annual summit. ASEAN is comprised of Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. The "ASEAN Plus Three" forum includes China, Japan, and South Korea. Of particular relevance to China at last week's summit, the ASEAN nations failed to reach agreement on how to address territorial disputes with China in the South China Sea, but did agree to intensify their efforts to secure a resolution.

China Forms Rare Earth Industry Association

A newly formed association of 155 industry partners has been formed by the Chinese government to help develop the industry and handle the growing number of international trade disputes related to rare earth minerals. The group will report to the Ministry of Industry and Information Technology. China accounts for about 95% of the world's global output of rare earth minerals, and is the subject of a World Trade

Organization complaint from the U.S., Europe, and Japan claiming that the Chinese are limiting exports of the materials by levying an effective tax rate of 42% on exported rare earth materials.

USCC Report on China's Military Modernization

The U.S.-China Economic and Security Review Commission (USCC) issued a **report** titled "Indigenous Weapons Development in China's Military Modernization." The report documents identifiable cases of miscalculation regarding U.S. assessments of the development speed of Chinese indigenous weapons systems, and says that in the future there must be greater understanding of China's civilian and military leadership decision-making and rhetoric. The report also finds that there is a "clear trend" that China is modernizing its military not only to defend its borders, but also to assert its growing presence in the region.

U.S. Urges China to Halt North Korea Rocket Launch

On Monday, after calling on North Korea to halt its planned satellite launch, the U.S. urged China to exert its influence over the government in Pyongyang. The North Korean government claims it is launching a weather satellite, but the U.S. says it is most likely a ballistic missile test and would violate United Nations Security Council resolutions and a February denuclearization agreement. The planned launch is expected sometime between this Thursday and next Monday.

Upcoming Events

Tomorrow, April 11, David Kappos, Director of the U.S. Patent and Trademark Office, will speak at the Fordham University IP Law Institute's **conference** on China's new environment for IP, "China's Path to Innovation in the Information Economy: Old Problems, New Challenges."

Also tomorrow, the Cato Institute will host a Capitol Hill **briefing** titled "Trade Policy Priority One: Averting a U.S.-China Trade War. The discussion will feature: Dan Ikenson, Director, Herbert A. Stiefel Center for Trade Policy Studies, Cato Institute; and Erin Ennis, Vice President, U.S.-China Business Council. The event will be moderated by Laura Odato, Manager of Government Affairs at the Cato Institute.

Next Tuesday, April 17, the U.S.-Taiwan Business Council, along with the Project 2049 Institute, will release a report titled "Chinese Reactions to Taiwan Arms Sales." There will be a discussion with panelists including: Rupert Hammond-Chambers, President, U.S.-Taiwan Business Council; and Randall Schriver, President and CEO, Project 2049 Institute.

Congressional Recess

Congress remains in recess this week, but will return on Monday, April 16.