

ALERT

# U.S. Department of Energy Calls for Public Comment on High-Capacity Battery Supply Chain Vulnerabilities

April 1, 2021

On March 29, 2021, the Department of Energy (DoE) called for public comment on risks in the U.S. supply chain for high-capacity batteries, including electric vehicle batteries. DoE is seeking policy recommendations to address these risks. Comments are due **April 14, 2021**.

DoE's request stems from a February 2021 executive order (EO) aimed at ensuring the resiliency and security of U.S. supply chains. The EO requires a comprehensive government review of domestic production, research and development capabilities, and the formulation of strategies to strengthen certain critical sectors. The EO requires a 100-day review of four sectors critical to U.S. national security: large capacity batteries, active pharmaceutical ingredients (APIs), critical minerals and rare earth elements, and semiconductors.

With respect to the high-capacity battery supply chain, the DoE has expressed interest in receiving comments on the following topics:

- **Critical materials** including battery-grade nickel, cobalt, and lithium underlying the supply chain;
- **Manufacturing and other capabilities** necessary to produce high-capacity batteries, including raw materials extraction, refining, advanced cathode, and anode powders production, separators, electrolytes, current collectors, and advanced recycling technologies;
- Domestic **workforce** skills and education, and any existing gaps, needed for manufacturing;

## Authors

Hon. Nazak Nikakhtar  
Partner  
202.719.3380  
nnikakhtar@wiley.law  
Maureen E. Thorson  
Partner  
202.719.7272  
mthorson@wiley.law

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- **Risk contingencies** that may disrupt the supply chain, including defense, intelligence, cyber, homeland security, health, climate, environmental, natural, market, economic, geopolitical, human-rights or forced labor risks;
- **Resiliency** and **capacity** of the high-capacity battery supply chain to support **economic and national security** and emergency preparedness including the location of key manufacturing assets and risks those locations may pose; exclusive or dominant supply of critical goods and materials by or through nations that are or may become unfriendly or unstable; the role of transportation systems and risks associated with these systems; and risks posed by climate change; and
- **Policy recommendations** or suggested executive, legislative, regulatory changes to ensure a resilient supply chain for high-capacity batteries (e.g., reshoring, nearshoring, or developing domestic suppliers, cooperation with allies to identify or develop alternative supply chains, building redundancy into supply chains, ways to address risks due to vulnerabilities in digital products or climate change).

Wiley has a robust Supply Chain practice, as well as unparalleled experience and expertise in International Trade, National Security, Government Contracts, Environment, Telecom, Media & Technology, and Trade Analytics, and can help clients navigate evolving supply chain developments. For more information, please contact one of the attorneys listed on the alert. Wiley's multidisciplinary team has been helping companies with shifting export controls, entity listings, various U.S. Department of Commerce (DOC) information and communications technology and services (ICTS) supply chain regulations, the Federal Acquisition Security Council, Federal Communications Commission (FCC) supply chain activities, and procurement restrictions such as Section 889 and new NDAA restrictions.

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*Nicole Hager, a Law Clerk at Wiley Rein LLP, contributed to this alert.*