

Congress of the United States
Washington, DC 20515

February 7, 2023

The Honorable Jennifer Granholm
Secretary
Department of Energy
1000 Independence Ave. SW
Washington, D.C. 20585

Dear Secretary Granholm:

We write to you requesting information regarding Department of Energy's (DOE) grants to boost America's production of critical minerals and to improve its critical mineral supply chain.

On October 19, 2022, the DOE awarded \$2.8 billion from the "Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing & Recycling Funding Opportunity Announcement" to 20 companies across 12 states. The purpose of this funding was to increase American production of advanced battery components, develop new approaches to battery recycling and manufacturing, and secure American supply chains from dependence on China. Yet, the Department of Energy awarded \$200 million to Microvast, a company with documented ties to the Chinese Communist Party (CCP).

Not only does Microvast primarily operate in China, but it's investing \$445 million in expanding its operations in China. In May 2022, the Securities and Exchange Commission (SEC) added Microvast to a list of Chinese companies that are violating U.S. auditing requirements under the Holding Foreign Companies Accountable Act.

While American companies were denied funding opportunities, the DOE supported a company that admits the Chinese government "exerts substantial influence over the manner in which we must conduct our business activities and may intervene, at any time and with no notice." DOE's vetting and oversight process is deficient. This is especially alarming, given that there is \$7 billion in funding from the IIJA that has yet to be dispersed. Not only was this award in direct conflict with the grant's stated intent, but it harms Arkansas' economic growth due to the large lithium deposits in our state.

The U.S. government cannot continue to funnel taxpayer funds into Chinese-controlled companies and should apply strict vetting and oversight to any current or future federal funding opportunities. For these reasons, we request the following information by February 21, 2023:

1. Please describe the DOE's current vetting process for all loan and grant applicants. More specifically, please describe what protocols are in place to ensure current and future DOE grants and loans are not funding companies strongly tied to the CCP.

2. Was DOE aware that Microvast was not in compliance with U.S. auditing requirements in May of 2022? If not, please explain why the current vetting process did not disclose this fact and what safeguards are in place to ensure future DOE funding does not go to companies violating U.S. law.
3. If the goal of this funding is to reduce U.S. dependence on foreign entities for critical minerals, why would DOE award funding to a company with obvious ties to the CCP?

Sincerely,



John Boozman
United States Senator



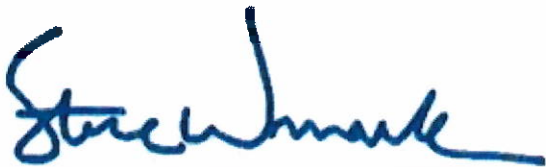
Tom Cotton
United States Senator



Eric A. "Rick" Crawford
Member of Congress



French Hill
Member of Congress



Steve Womack
Member of Congress



Bruce Westerman
Member of Congress