

# Congress of the United States

## House of Representatives

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

2321 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6301

(202) 225-6371  
www.science.house.gov

March 9, 2023

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

Dear Secretary Granholm:

Today, the House Committee on Science, Space, and Technology sends its third request to the Department of Energy (DOE) for information relating to DOE's grant awards to companies with known ties to the Chinese Communist Party (CCP).

The Department's lack of sufficient guardrails to protect federal research dollars and inability to provide an adequate and timely response to the Science Committee's good faith inquiries escalates our serious concerns about the Department's research security practices.

On December 7, 2022, and January 25, 2023, the Committee sent letters to the Department requesting documents and information relating to the "Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing & Recycling Funding Opportunity Announcement."<sup>1</sup> Under this funding opportunity, on October 19, 2022, the Department awarded 20 recipients a total of \$2.8 billion dollars for the purpose of advancing battery materials, recycling, and manufacturing in the United States, among other things.<sup>2</sup> Within the section authorizing these grants in the Infrastructure Investment and Jobs Act the Secretary is directed to give priority to entities that will not export recovered critical materials to or use battery material supplied by or originating from a foreign entity of concern, including China.<sup>3</sup> Despite this direction, DOE awarded one of these grants to Microvast, a company with well-documented ties to the CCP.

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<sup>1</sup> DEP'T OF ENERGY, *Biden-Harris Administration Awards \$2.8 Billion to Supercharge U.S. Manufacturing of Batteries for Electric Vehicles and Electric Grid*, October 19, 2022, <https://www.energy.gov/articles/biden-harris-administration-awards-28-billion-supercharge-us-manufacturing-batteries> (last visited Dec. 6, 2022).

<sup>2</sup> *Id.*

<sup>3</sup> Pub. L. No. 117-58, § 40207(c)(3) (2021).

In a letter sent to the Department on December 7, 2022, and again on January 25, 2023, the Committee highlighted some of the most egregious connections between Microvast and the CCP,<sup>4,5</sup> including the fact that nearly 80% of Microvast's assets are located in China that the company has disclosed that 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."<sup>6</sup> Our previous letters have a longer list of troubling facts about Microvast, all of which are publicly available and easily accessible and should have come up in any vetting process.

On February 1, 2023, DOE issued an interim response to the Science Committee to describe in general terms its post-award grant vetting policy, noting that DOE would not provide more information on the status of these awards until a certain review phase had been completed. More than a month later, DOE has yet to provide the Committee with any additional response to its requests. It has been more than three months since we first raised this issue to the Department and nearly five months since the Department announced the grants in question. It is deeply troubling that the Department has not been able to communicate any information that explains its vetting process in adequate detail or demonstrates that sufficient guardrails are in place to ensure that companies that receive awards do not transfer funding or technology to China and are not subject to undue influence by the CCP. This information is critical, not only for oversight of the awards announced in October, but to ensure that DOE has appropriate safeguards in place for the billions of dollars in new taxpayer funding it was given in recent legislation. If DOE cannot confirm that it has thorough processes in place to protect its awards from exploitation by the CCP, future award announcements may also be cause for Congressional concern.

Therefore, the Committee reiterates the request that DOE immediately pause any further funding or expenditures for all applicants or awardees to this program. The Committee reiterates its request that the Department produce the following documents, in electronic format, for the time period November 15, 2021, to the present. We request that you provide the requested documents and information as soon as possible, but no later than 5:00 p.m. on March 23, 2023:

1. All documents and communications referring or relating to foreign entities that are applicants, or affiliated with applicants, for the "Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing & Recycling Funding Opportunity Announcement" (DE-FOA-0002678).
2. All documents and communications between DOE, including its employees or contractors, and any outside persons or organizations referring or relating to foreign entities that are applicants, or affiliated with applicants, for the "Bipartisan Infrastructure

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<sup>4</sup> Letter from Frank Lucas, Ranking Member, House Committee on Science, Space, and Technology, et al., to Jennifer Granholm, Secretary of Energy (Dec. 7, 2022).

<sup>5</sup> Letter from Frank Lucas, Chairman, House Committee on Science, Space, and Technology, et al., to Jennifer Granholm, Secretary of Energy (Jan 25, 2023).

<sup>6</sup> MICROVAST HOLDINGS, *Amendment No. 7 to Registration Statement* (Form S-1) (Apr. 29, 2022), available at <https://ir.microvast.com/static-files/89f3204e-d5ce-49da-8269-8dc149cb7d77>.

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Law Battery Materials Processing and Battery Manufacturing & Recycling Funding Opportunity Announcement” (DE-FOA-0002678).

3. All documents and communications referring or relating to project awards for 6k Inc; Albemarle U.S. Inc.; American Battery Technology Company; Amprius; Anovion LLC; Applied Materials, Inc.; Ascend Elements, Inc.; Cirba Solutions; Membrane Holdings LLC – ENTEK; Group14 Technologies Inc.; ICL-IP America Inc.; Koura, part of Orbia Fluorinated Solutions; Lilac Solutions; Microvast; NOVONIX Anode Materials LLC; Piedmont Lithium Inc.; Sila Nanotechnologies; Solvay Specialty Polymers USA, LLC; Syrah Technologies LLC; and Talon Nickel (USA) LLC.
4. All documents and communications referring or relating to DOE procedures, policies, and current or future actions to oversee funding from the IJA with a risk of benefiting or directly contributing to a foreign entity of concern.

Thank you for your prompt attention to this matter. If you have any questions about this request, please contact the Majority staff of the House Committee on Science, Space, and Technology at (202) 225-6371.

Sincerely,

A handwritten signature in blue ink that reads "Frank Lucas". The signature is written in a cursive style with a large initial "F" and "L".

Frank Lucas

Chair

Committee on Science, Space, and Technology

cc: The Honorable Zoe Lofgren, Ranking Member, Committee on Science, Space, and Technology