

# United States Senate

WASHINGTON, DC 20510

September 14, 2022

The Honorable Teri L. Donaldson  
Office of Inspector General  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Inspector General Donaldson,

On August 3, 2022, NPR released a report titled, “The U.S. made a breakthrough battery discovery — then gave the technology to China.”<sup>1</sup> The report details an illicit Department of Energy (DOE) transfer of a fifteen million dollar, taxpayer-funded advanced battery technology to China. According to the report, DOE “...allowed the technology and jobs to move overseas, violating its own licensing rules while failing to intervene on behalf of U.S. workers in multiple instances.”<sup>2</sup>

The Department of Energy, in this case, twice handed over vanadium redox battery technology created by scientists at Pacific Northwest National Laboratory. The first recipient of this technology, a Chinese company by the name of Dalian Rongke Power Co. Ltd., received a sublicense from DOE in 2017 to manufacture the batteries in China. The second recipient, Vanadis Power, a Dutch company, received a full license in 2021. However, Vanadis plainly stated on their official website that they planned to manufacture the batteries in China. These transfers occurred while several U.S. companies, according to the NPR report, simultaneously sought the same license from DOE.<sup>3</sup>

Furthermore, the original licensee failed to adhere to DOE stipulations associated with the license and strengthened China’s technological standing as a result. These stipulations included a quota for domestic battery sales, as well as a requirement that the batteries be “substantially manufactured” in the U.S. As these stipulations were continuously violated, DOE never raised any concerns.<sup>4</sup> With DOE failing to crack down on these violations, Dalian Rongke Power Co. Ltd. has become the global leader in the manufacture of vanadium redox flow batteries.<sup>5</sup>

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<sup>1</sup> Courtney Flatt and Laura Sullivan, “The U.S. Made a Breakthrough Battery Discovery - Then Gave the Technology to China,” NPR (NPR, August 3, 2022), [https://www.npr.org/2022/08/03/1114964240/new-battery-technology-china-vanadium?utm\\_campaign=npr&utm\\_medium=social&utm\\_source=twitter.com&utm\\_term=nprnews](https://www.npr.org/2022/08/03/1114964240/new-battery-technology-china-vanadium?utm_campaign=npr&utm_medium=social&utm_source=twitter.com&utm_term=nprnews).

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> “Global Vanadium Redox Battery (VRB) (All-Vanadium Redox Flow...,” MENAFN.COM, February 10, 2022, <https://menafn.com/1103670372/Global-Vanadium-Redox-Battery-VRB-All-Vanadium-Redox-Flow-Batteries-Market-Report-Size-2022-Report-Overview-by-Manufactures-Industry-Demands-Share-Trends-Emerging-Technologies-and-Forecast-to-2029>.

If the facts in the NPR report are accurate, we are concerned that this is an overt dereliction of duty by DOE, and that this case may be emblematic of a department that routinely and flippantly permits government-funded technology to be transferred to China.

In the interest of both our economic and national security, we respectfully ask that your office takes the necessary steps to review this misconduct with an appropriate level of scrutiny and request that you report the findings of this review to us as soon as possible.

Thank you for your attention to this matter.

Sincerely,



John Barrasso, M.D.  
U.S. Senator



Joni K. Ernst  
U. S. Senator