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December 7, 2022

The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Dear Secretary Granholm,

I write to you with grave concerns as the Department of Energy (DOE) continues to operate in a manner that undermines and endangers our national security. In addition to the misuse of the Strategic Petroleum Reserve and security issues that have brought widespread condemnation upon the Department, DOE has awarded \$200 million to Microvast, a lithium battery company that operates primarily out of the People's Republic of China (PRC).¹

Microvast's close relationship with China is no secret. A recent prospectus issued by the company states, "Our operations are subject to extensive PRC government regulation... We could become subject to regulations issued by the [Cyberspace Administration of China] and requirements of the PRC's Cyber Security Law or Data Security Law."² Even in the midst of the PRC siphoning hundreds of billions of dollars in research and development (R&D) from the United States each year, Microvast stated in recent Securities and Exchange Commission (SEC) filings that it will "...plan to continue leveraging [its] knowledge base in the PRC and to continue expanding [its] R&D efforts there as well."³

Additionally, before Microvast received its grant from DOE, it was listed by the SEC in May of 2022 as a company not in compliance with the Holding Foreign Companies Accountable Act (HFCAA).⁴ This law is intended to prevent companies that employ China-based auditors, as does Microvast, from obscuring their financial records from U.S. regulators.

¹ Alana Goodman, "DOE Touts \$200m Grant to Lithium Battery Company as Boon to American-Made Clean Energy. The Company Operates Primarily from China," Washington Free Beacon, December 6, 2022, <https://freebeacon.com/biden-administration/doe-touts-200m-grant-to-lithium-battery-company-as-boon-to-american-made-clean-energy-the-company-operates-primarily-from-china/>.

² "Prospectus," Microvast, August 5, 2022, <https://ir.microvast.com/static-files/6896ea36-f643-4eac-8792-01f3525bf1b7>, 16.

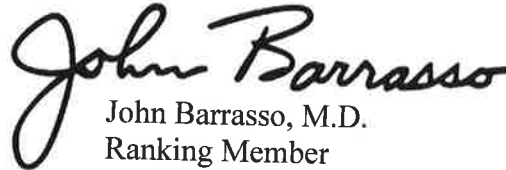
³ "QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934," Microvast, November 10, 2022, <https://ir.microvast.com/static-files/d10556df-1b41-4a7c-a1fe-1d55f6fb77cc>, 31.

⁴ "Holding Foreign Companies Accountable Act ('HFCAA')," U.S. Securities and Exchange Commission, December 5, 2022, <https://www.sec.gov/hfcaa>.

I remind you that the Bipartisan Infrastructure Law was ostensibly intended to develop robust domestic manufacturing bases and supply chains free from the predations of the PRC. DOE distributing \$200 million in taxpayer funds to a company joined at the hip with China is demonstrably antithetical to the Bipartisan Infrastructure Law's intent. It is clear DOE's actions directly undermine the United States' position in its race against China for technological supremacy.

I ask that you answer the following questions no later than December 21, 2022.

Sincerely,

A handwritten signature in black ink that reads "John Barrasso". The signature is written in a cursive, flowing style with a large initial "J".

John Barrasso, M.D.
Ranking Member

Questions

1. Please describe in detail the security review process for entities to which the DOE is planning to distribute taxpayer funds.
2. Who within the Department is responsible for signing off on the security compliance of such entities?
 - a. Please provide all relevant Departmental guidance and standard operating procedures for the security screening process of these entities.
3. Please describe in detail all policies, procedures, and remedial measures taken in instances when companies previously cleared and approved for DOE funding are subsequently found to have been acquired, either fully or in part, by a country of particular concern as defined by the International Religious Freedom Act of 1998.
 - a. Please provide copies of all applicable Departmental guidance, policies, and procedures.
 - b. Please provide the names and positions of those responsible for making such a determination.