

POWER  THE FUTURE

WHERE GREEN MEETS RED:

*How the Environmental Agenda is
Making America Dependent on China*

AUGUST 2023



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EXECUTIVE SUMMARY

The Biden Administration's push to electrify nearly every facet of everyday life – power plants, cars, the heating and cooling systems in homes and buildings – is dangerously increasing America's dependence on China and jeopardizing our nation's security.

Previous Power the Future reports have established the link between green pet projects (wind, solar, and electric vehicle) and significant amounts of critical minerals and rare earth elements. With a 40 to 80 percent market share, China controls the production and processing of energy minerals needed to build renewable machinery, providing a strategic dominance roughly double OPEC's market share in oil.

And now, President Biden oversees \$369 billion dollars from the Inflation Reduction Act. There is no question China will stand to receive billions from the largest green giveaway in American history.

The following report sheds further light on Biden's green agenda leaving our nation vulnerable to China's growing dominance. Specific areas of examination include:

- The bipartisan "resolution of disapproval" passed by the Democratic Senate in May 2023 targeting Biden's decision to allow tariff waivers for solar modules and cells from Cambodia, Malaysia, Vietnam, and Thailand that gave China a free pass;
- The Consumer Product Safety Commission (CPSC) exploring potential bans of gas-powered stoves;
- The Environmental Protection Agency (EPA) proposing a de facto EV mandate, one that would push EVs from nearly 6 percent today to nearly 70 percent by 2032;
- The \$369 billion dollars' worth of green handouts included in Biden's Inflation Reduction Act (IRA);
- Circumventing West Virginia Senator Joe Manchin's requirements included in the IRA;

- Biden's Department of Energy conditionally selecting Microvast, a battery company with ties to the Chinese Communist Party, to receive a \$200 million grant;
- The Biden Administration's consistent rejections of permits for significant new mining projects, despite America's over-reliance on foreign sources and adversarial nations for critical minerals and materials;
- Along with his son Hunter, Biden's active support of Chinese mining interests abroad.

To reverse this disastrous course for America, Power The Future puts forward a five-part policy roadmap to reverse our growing dependence on China before it's too late.

INTRODUCTION

On May 2, the Democratic-controlled Senate quietly passed a "resolution of disapproval," invoked under the Congressional Review Act. The final vote, 56 to 41, must have been jarring for the Biden White House: Nine Democrats joined nearly every Senate Republican in a rare demonstration of bipartisanship.

The resolution ("CRA" in shorthand) targeted President Biden's decision to allow tariff waivers for solar modules and cells from Cambodia, Malaysia, Vietnam, and Thailand. You may ask, "Why these southeast Asian nations?" One word: China.

Back in 2019, President Trump imposed anti-dumping and countervailing duties on China's solar industry. The Trump tariffs were designed to stop China's time-honored practice: break global trade rules by overproducing (via government subsidies) a cheap commodity and then dump it on the market, bankrupting competitors in other countries. But as usual, China had a plan: it simply pushed solar-panel manufacturing into neighboring countries.

By waiving the Trump tariffs, Joe Biden gave China a free pass. He did this even after his own Commerce Department, in a preliminary determination issued last December, found that "eight solar companies that manufacture solar cells and modules" manufactured

the components “in the [People’s Republic of China], and then sent “those cells and modules to Cambodia, Malaysia, Thailand, and/or Vietnam for minor processing before being exported to the United States.”¹

“Unfortunately, months before the Commerce Department’s determination, the White House made a misguided decision to remove the additional tariffs on Chinese solar products routed through those four countries, for the next two years,” House Ways and Means Chairman Jason Smith (R-Mo.) said during the CRA markup.

Senate Energy and Natural Resources Committee Chairman Joe Manchin (D-WV), one of the original co-sponsors of the CRA, was equally outraged, and described his opposition to Biden’s soft-on-China policy this way:

“For too long we have relied on foreign nations for the resources and materials we need to power our nation. We cannot continue to let China get away with laundering solar energy components through other nations with absolutely no consequences... Let me be clear: America will never be energy secure or independent if we can’t provide the resources we need and it would be foolish of us in Congress to allow these waivers to continue any longer.”²

Of course President Biden vetoed the solar resolution—and Congress failed to garner the requisite two-thirds to override it.³ But the CRA vote revealed clear and growing bipartisan opposition to the Biden Administration’s green agenda—mainly, its obsessive, irrational drive to ban fossil fuels and heavily subsidize,

and mandate the use of, renewable energy.

More broadly, Biden supports electrifying everything⁴, connecting not just power plants, but cars, and the heating and cooling systems in homes and buildings, to the electric grid. He’s pushing this even as the nation’s electric grid careens toward collapse. This is due mainly to new regulations from Biden’s Environmental Protection Agency (EPA), which are forcing premature retirements of coal-fired power plants, which supply reliable, baseload electricity to the grid.⁵ According to the North American Electric Reliability Corporation (NERC), which manages grid operations and reliability, two-thirds of the U.S. is at “elevated risk” this summer of blackouts and brownouts.⁶

The mad rush to electrify is dangerously increasing America’s dependence on China.

Consider some simple statistics. As Power the Future noted in a previously published paper, Biden’s green revolution—that is, more generous subsidies and more stringent mandates to use wind and solar, along with de facto electric vehicle mandates—requires significant amounts of critical minerals and rare earth elements⁷, the production and processing of which are controlled in large measure by China.

Team Biden consistently ignores this geopolitical reality, and asserts, incorrectly, that renewable energy means

¹ <https://www.commerce.gov/news/press-releases/2022/12/departments-commerce-issues-preliminary-determination-circumvention>

² <https://www.energy.senate.gov/2023/5/manchin-to-vote-to-approve-solar-tariff-resolution-to-decrease-reliance-on-foreign-nations>

³ [https://www.reuters.com/world/us/biden-vetoes-legislation-block-solar-panel-tariffs-waivers-2023-05-16/#:~:text=May%2016%20\(Reuters\)%20%2D%20President,from%20four%20Southeast%20Asian%20nations.](https://www.reuters.com/world/us/biden-vetoes-legislation-block-solar-panel-tariffs-waivers-2023-05-16/#:~:text=May%2016%20(Reuters)%20%2D%20President,from%20four%20Southeast%20Asian%20nations.)

⁴ “The Biden Administration has a stated policy goal to see America powered increasingly, eventually entirely by renewable energy.”

https://d1dth6e84htgma.cloudfront.net/04_26_23_Env_Testimony_Mills_c23c2e7211.pdf?updated_at=2023-04-24T18:59:18.261Z

⁵ <https://americaspower.org/wp-content/uploads/2023/03/Americas-Power-Letter-EPW-Hearing.pdf>

⁶ <https://www.nerc.com/news/Pages/Two-thirds-of-North-America-Faces-Reliability-Challenges-in-the-Event-of-Widespread-Heatwaves.aspx>

⁷ “[T]echnologies assumed to populate the clean energy shift ... are in fact significantly more material intensive in their composition than current traditional fossil-fuel-based energy supply systems.”

<https://documents1.worldbank.org/curated/en/207371500386458722/pdf/117581-WP-P159838-PUBLIC-ClimateSmartMiningJuly.pdf>

energy *independence* for America. Consider this last year from Biden’s Energy Secretary, Jennifer Granholm:

“Clean energy is reliable. It is diverse. It is affordable. Solar, for instance, is cheaper than fossil fuels in most parts of the world. It is the key to greater energy security, to greater energy independence. It’s the answer to both climate change and autocrats who are weaponizing fossil energy.”⁸



But as energy analyst Mark Mills recently testified before Congress: “the claim that renewables are geopolitically superior is exposed by one now well-known fact: China has a 40 to 80 percent market share in producing or refining energy minerals needed to build renewable machinery. That is a strategic dominance roughly double OPEC’s market share in oil.”⁹

One might guess that China is well aware of its dominance over these essential commodities—and the fact that we desperately need them to fuel our economy, our military, and our everyday lives. This could explain China’s brazen flight of a spy balloon over the continental U.S. earlier this year, and the Biden’s Administration’s feckless response to simply let it happen.¹⁰ After days of painfully embarrassing footage of the balloon traversing America and capturing valuable intelligence information “in real time and sending it back to Beijing,”¹¹ Biden’s Pentagon shot it down.

Meanwhile, China continues its saber-rattling against Taiwan, sending clear signals that increased aggression against the island nation will now be the norm. Last year, in response to then-Speaker Nancy Pelosi’s (D-CA) visit to the island nation, Beijing provoked what security experts dubbed the “Fourth Taiwan Strait Crisis,” which included “unprecedented military exercises around the island.”

In April, after Taiwan’s President, during a stopover in the U.S., met with Speaker Kevin McCarthy (R-CA), China escalated its tactics, this time conducting

live-fired combat exercises in the East China Sea and, via an amphibious assault ship, carried out a joint sea-air exercise in waters to the west of China’s Guangdong Province. Official Chinese media “directly linked this and other exercises to Tsai’s planned meeting with McCarthy.”¹²

So what is U.S. going to do about it? Given America’s supply chain vulnerabilities, due in no small part to Joe Biden’s radical Green New Deal, our nation is vulnerable to China’s growing dominance—and thus the answer to the foregoing question, at least at the moment, is: not much.

But that’s where policy comes in. Ending Joe Biden’s assault on American energy—and more specifically, his push to make America more dependent on China—can help turn the tide, and return America to energy independence and the power to determine its economic fate.

GIMME YOUR GAS STOVE

The Biden Administration and its green allies are making that goal difficult to achieve. The environmental movement (many of whose members work for the Biden Administration) assumes the moral high ground by claiming to protect the climate, or ending air pollution, or fighting plastics in the oceans. But all that’s a ruse. Their efforts have nothing to do with the protecting the environment, or public health, or climate change. It’s about one thing: control.

The control they seek is over consumers and how they live their everyday lives—and that means the kind of car you drive (and when you can drive it), how much water you use when you take a shower or wash your clothes, when you can adjust your thermostat, and what food you put on the table. Writer and analyst Rupert Darwall aptly summed up their philosophy this way: it’s all about “changing people’s lifestyles.”¹³

⁸ <https://www.state.gov/online-press-briefing-with-secretary-of-energy-jennifer-granholm/>

⁹ Ibid at 1

¹⁰ <https://www.reuters.com/world/suspected-chinese-spy-balloon-flying-over-united-states-us-officials-2023-02-02/>

¹¹ <https://nypost.com/2023/04/03/chinese-spy-balloon-gathered-intelligence-from-us-military-sites/>

¹² <https://chinapower.csis.org/tracking-chinas-april-2023-military-exercises-around-taiwan/>

¹³ <https://www.encounterbooks.com/features/rupert-darwall-totalitarian-roots-environmentalism/>

Yet this attempt to control the minutiae of Americans' lives comes with a high cost, in the form of the nation's ever-growing dependence on China. Activists are making that possible step by critical step. And one big step comes with the effort to electrify modern conveniences of all kinds.

But first things first: to achieve greater electrification, activists must ban fossil fuels. They started years ago, with great success, in destroying coal. Now they've turned their attention to oil and natural gas. The U.S. is the world's largest producer of both fuels. So banning them will require greater effort—and plenty of patience. So what better place to start than with your kitchen stove.

You might think this is a joke, but Biden's regulators aren't laughing. Back in January, a commissioner on the Consumer Product Safety Commission, Richard Trumka, Jr. (yes, the son of the former leader of the AFL-CIO), stoked outrage when he signaled that his agency would address "environmental hazards" of gas stoves by potentially banning them. As Trumka put it, "[Gas stoves are] a hidden hazard. Any option is on the table. Products that can't be made safe can be banned."¹⁴

Not surprisingly, Trumka's comments won praise from Rep. Alexandria Ocasio-Cortez (D-NY), who said a ban made sense because the emissions from gas stoves are "linked to reduced cognitive performance."¹⁵ Now where would AOC get such an idea?

As it turns out, the basis for Trumka's gas-stove ban comes from the Rocky Mountain Institute (RMI), a green activist group founded by Amory Lovins, and which "seeks transformative change in the global energy system by reducing greenhouse gas emissions by 50

percent by 2030"¹⁶—an impossible goal that will bankrupt the U.S. economy.

In December of last year, the *International Journal of Environmental Research and Public Health* published an article whose authors were concerned that "the population-level implications of gas cooking are largely unrecognized." The paper's central conclusion was that 12.7 percent of childhood asthma cases were linked to gas stoves in homes.¹⁷ However, this study was funded by RMI, and its lead author, Talor Gruenwald, is part of RMI's Carbon-Free Buildings Initiative.¹⁸

The reaction to Trumka's comments was justifiably swift and hostile. "If the maniacs in the White House come for my stove, they can pry it from my cold dead hands," tweeted Rep. Ronny Jackson (R-Tex.).¹⁹ Sen. Joe Manchin was nearly apoplectic. "This is a recipe for disaster. The federal government has no business telling American families how to cook their dinner. I can tell you the last thing that would ever leave my house is the gas stove that we cook on."²⁰



"Banning things other people like and enjoy is the purest expression of power," said former Fox News Host Tucker Carlson. "When you can snatch someone's pleasure away, you feel like God."²¹

Restaurant owners and chefs don't like the ban, either, which is understandable. According to the National Restaurant Association, 76 percent of U.S. restaurants use natural gas, while 94 percent of owners who use gas in their establishment say any ban would negatively impact their business.²² "This is an issue that particularly,

¹⁴ <https://www.nationalreview.com/news/biden-administration-considers-banning-gas-stoves-over-health-concerns/>

¹⁵ https://twitter.com/AOC/status/1612973043583696897?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1612973043583696897%7Ctwgr%5E9c165b90d84c1c07b9afaf9f19f2fbaa951730b2%7Ctwcon%5E1_&ref_url=https%3A%2F%2Fwww.nationalreview.com%2Fnews%2Faoc-thinks-gas-stoves-cause-brain-damage-but-she-still-uses-one%2F

¹⁶ <https://rmi.org>

¹⁷ <https://www.mdpi.com/1660-4601/20/1/75>

¹⁸ <https://www.nationalreview.com/news/biden-official-defends-his-gas-stove-ban-comments-calls-backlash-misdirected/#:~:text='Banning%20natural%20gas%20stoves%20is,how%20to%20live%20their%20lives.'>

¹⁹ <https://twitter.com/RonnyJacksonTX/status/1612839703018934274?s=20&t=q8400TCpwQFIYy19WkzrqQ>

²⁰ <https://www.foxbusiness.com/politics/biden-admin-official-tries-turn-down-heat-insists-not-looking-ban-gas-stoves-after-backlash>

²¹ Ibid at 13

²² <https://thehill.com/changing-america/sustainability/energy/3702129-natural-gas-ban-threats-spark-fear-for-restaurants/>

uniquely impacts restaurateurs in that it impacts the very product that we're serving," said Mike Whatley, vice president of state affairs and grassroots advocacy at the National Restaurant Association.

In the typical fashion of an out-of-touch regulator, Trumka dismissed the public pushback as "misdirected." Initially, he tweeted that, "To be clear, CPSC isn't coming for anyone's gas stoves. Regulations apply to new products."²³ Then, he condescended to explain, "When you learn upsetting new information about something you've been around for a long time — maybe your whole life — you can never predict people's reactions," Trumka told the Washington Post. "And there is going to be justifiable anger, and sometimes it's misdirected."²⁴

Initially, in January, the chair of the CPSC, Alexander Hoehn-Saric, attempted to quell the furor over Trumka's comments. "Research indicates that emissions from gas stoves can be hazardous, and the CPSC is looking for ways to reduce related indoor air quality hazards," Hoehn-Saric wrote. "But to be clear," he continued, "I am not looking to ban gas stoves and the CPSC has no proceeding to do so."²⁵

Not exactly a Shermansque denial. And sure enough, in March, the CPSC approved a "request for information" from the public, seeking comment on "research on the health hazards of gas stove emissions, including any connection to conditions like childhood asthma," and "potential solutions to remediate such hazards, including the feasibility, costs, and benefits of those options."²⁶ It's not hard to predict how this "proceeding" will end up.

House Republicans have introduced two bills aimed to stop the CPSC and the Department of Energy from banning and regulating gas stoves out of existence, preserving consumer freedom to continue to use, and to buy, gas stoves. The White House issued a veto

threat, hoping, to be sure, that the CPSC will plow ahead with a ban, following the lead of Berkeley and Palo Alto, California, and New York (thankfully the 9th Circuit Court of Appeals tossed the Berkeley ban as preempted by federal law, but more litigation will likely ensue).

NOW HAND OVER YOUR INTERNAL COMBUSTION ENGINE

Speaking of California, the geniuses on the west coast are at it again—this time working hand-in-glove with Biden's EPA to mandate electric vehicles and ban the internal combustion engine. Such mandates and bans, in the activist mind, are necessary to save the planet.

But consumers in the U.S. want none of it. They simply aren't keen on electric vehicles, despite generous state and federal tax subsidies. EVs are too impractical given the lack of available charging stations and the inconvenience of actually charging them.

“ According to J.D. Power and Associates, "Although some month-to-month volatility is to be expected, a closer look at the barriers to EV adoption shows that many new vehicle shoppers are becoming more adamant about their decision to not consider an EV for their next purchase."²⁷ Moreover, as the organization explained:

As of this month's [May's] report, 21% of new-vehicle shoppers say they are "very unlikely" to consider an EV, up from 18.9% in February and 17.8% in January. Meanwhile, the percentage of auto shoppers who say they are "very likely" to consider an EV is 26.9% and has been largely flat for the past three months...

Lack of public charging infrastructure and price have been the top two concerns for the past 10 months, along with related issues involving range anxiety,

²³ <https://www.foxbusiness.com/politics/biden-admin-official-tries-turn-down-heat-insists-not-looking-ban-gas-stoves-after-backlash>

²⁴ <https://www.washingtonpost.com/climate-environment/2023/01/26/meet-man-who-unwittingly-triggered-war-over-gas-stoves/>

²⁵ <https://www.cpsc.gov/About-CPSC/Chairman/Alexander-Hoehn-Saric/Statement/Statement-of-Chair-Alexander-Hoehn-Saric-Regarding-Gas-Stoves>

²⁶ <https://www.cpsc.gov/About-CPSC/Commissioner/Richard-Trumka/Statement/CPSC-Approves-Request-for-Information-on-Gas-Stove-Hazards-and-Potential-Solutions>

²⁷ <https://www.jdpower.com/business/resources/ev-divide-grows-us-more-new-vehicle-shoppers-dig-their-heels-internal-combustion>

time required to charge and power outage and grid concerns.²⁸

In 2022, EVs (or, more precisely, “battery electric vehicles,” in contrast to “hybrid electric vehicles” and “plug-in hybrids”) in the U.S. comprised about 6 percent of the cars on the road.²⁹ Nearly 40 percent of those are found in California, where, thanks to hefty subsidies and plenty of discretionary income, wealthy households buy them as a second car.³⁰

But for EPA, it’s “consumers be damned.” Using its authority under the Clean Air Act to regulate greenhouse gas emissions from tailpipes, EPA has proposed a de facto EV mandate, one that would push EVs from nearly 6 percent today to nearly 70 percent by 2032.³¹ Considering the materials, consumer preferences, and supply chain challenges, this goal is preposterous, but EPA doesn’t seem to care.



Under the Clean Air Act, California can get a waiver from EPA to regulate pollution from automobiles, so long as the state’s standards are “at least as stringent” as those promulgated at the federal level. Not to be outdone, California has approved an outright ban of the internal combustion engine for “all new passenger vehicles” by 2035—an act for which they will need a waiver, and one EPA will surely grant.

But there’s more. The Clean Air Act allows states to follow California’s standards, so long as they are identical (the so-called “177 states” from the section in the act).³² That means that nearly 40 percent of the U.S. population could adopt California’s ban on internal combustion engines. There’s little doubt that auto-makers, which to date have been feckless in response to their governmental overseers, will be forced to produce vehicles that many consumers don’t want.

In short, these mandates “put California in charge of dictating what vehicles more than 125 million Americans are able to buy,” according to the American Fuel and Petrochemical Manufacturers, which represents refiners. “No unelected state government regulators should have that power.”³³

But along with eliminating consumer freedom, these mandates and bans eliminate America’s energy independence. Making the batteries for EVs requires large quantities of critical minerals—e.g., lithium and cobalt—and rare earth elements, of which China controls significant shares of global production and processing.³⁴ According to the New York Times, “Electric cars use about six times more rare minerals than conventional cars because of the battery, and China gets to decide who gets the minerals first and at what price.”³⁵

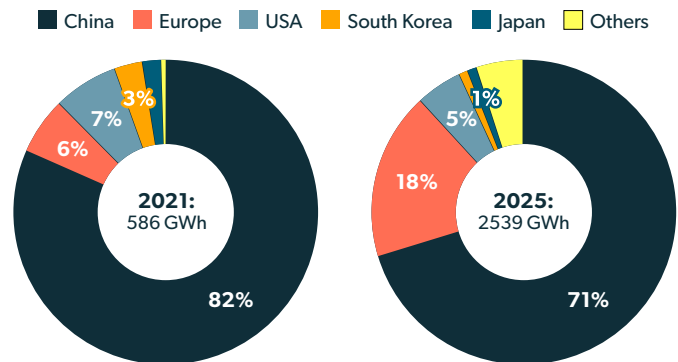


Figure 1: Projected global battery manufacturing capacity between 2021-2025 / SOURCE: BNEF

²⁸ Ibid. at 27

²⁹ <https://www.govinfo.gov/content/pkg/FR-2023-05-05/pdf/2023-07974.pdf>

³⁰ <https://www.gov.ca.gov/2022/02/25/california-leads-the-nations-zev-market-surpassing-1-million-electric-vehicles-sold/>

³¹ Ibid. at 27

³² https://ww2.arb.ca.gov/sites/default/files/2022-05/§177_states_05132022_NADA_sales_r2_ac.pdf

³³ <https://www.afpm.org/newsroom/news/updatedca-seeks-epa-authorization-ban-gas-and-diesel-vehicle-sales-policy-could>

³⁴ https://www.brookings.edu/wp-content/uploads/2022/08/LTRC_ChinaSupplyChain.pdf

³⁵ <https://www.nytimes.com/interactive/2023/05/16/business/china-ev-battery.html>

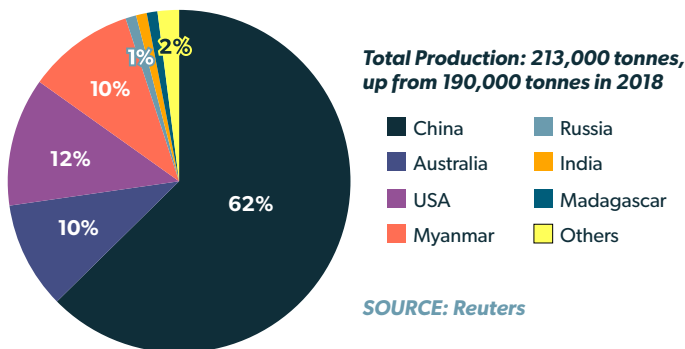
When it comes to battery components, China’s dominance is also growing. Cathodes are an important part of an EV battery. The Times found that China has invested in a cheaper cathode alternative that “has now taken half the cathode market.” Known as LFP, for lithium iron phosphate, “these cathodes use widely available iron and phosphate instead of nickel, manganese and cobalt.” And for western countries, “LFP is an opportunity to bypass bottlenecks in the mineral supply. *But China produces almost all the world’s LFP.*”³⁶ [emphasis added]

But no matter: Biden’s Treasury Department proposed guidance in March that effectively “drive a big rig” through Manchin’s requirements. For example, EVs leased to consumers can qualify for a separate commercial vehicle tax credit, which doesn’t entail sourcing, income, or price restrictions. Treasury is also proposing to redefine “free trade agreements” to include “one-off deals with countries that commit not to impose trade barriers on critical minerals.”³⁸

Manchin was apoplectic, and his response is worth quoting in full:

“Yet again – the guidance released by the Department of the Treasury completely ignores the intent of the Inflation Reduction Act. It is horrific that the Administration continues to ignore the purpose of the law which is to bring manufacturing back to America and ensure we have reliable and secure supply chains. American tax dollars should not be used to support manufacturing jobs overseas. It is a pathetic excuse to spend more taxpayer dollars as quickly as possible and further cedes control to the Chinese Communist Party in the process. The guidance includes a 60-day comment period and I ask for every American to comment. My comment is simple: stop this now – just follow the law.”³⁹

Global Rare Earth Minerals Production 2019



Despite the obvious geostrategic vulnerabilities created by EV mandates, Joe Biden’s Inflation Reduction Act (IRA), which he signed into law last year, includes \$369 billion in green handouts, including taxpayer-funded incentives for consumers to buy electric vehicles. Sen. Joe Manchin, who initially opposed the IRA but eventually voted for it, insisted on attaching conditions to the bill’s \$7,500 tax credit for EVs.

Treasury is evaluating public comments on its proposal. Manchin has vowed to sue the department if it finalizes policy that circumvents what the IRA requires. “If it goes off the rails...I will do whatever I can - if that means going to court and I can do it, I'd do it.”⁴⁰

Thanks to Manchin’s requirements, the credit decreases in value if milestones for increased domestic battery production and mining in North America aren’t met. Under the final bill, 50 percent of the value of battery components must be produced or assembled in North America for EV buyers to qualify for \$3,750 of the credit, and 40% of the value of critical minerals must be sourced from the U.S. or a country with which it has a free trade agreement, or “recycled in North America,” to qualify for another \$3,750 credit.³⁷

GRANHOLM: “HEY CHINA, HAVE I GOT SUBSIDIES FOR YOU!”

Manchin is on to something. The Biden Administration’s subsidy train has indeed gone off the rails—if, by “off the rails,” one means giving taxpayer subsidies to China passed in the IRA and the 2021 “Infrastructure Investment and Jobs Act (IIJA),” another inaptly named bill that continues to fuel Biden’s Green New Deal.

³⁶ Ibid. at 34

³⁷ <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>

³⁸ <https://www.wsj.com/articles/joe-manchin-inflation-reduction-act-green-subsidies-president-biden-5b168948>

³⁹ <https://www.manchin.senate.gov/newsroom/press-releases/machin-statement-on-treasury-ev-tax-credit-guidance>

⁴⁰ <https://www.reuters.com/world/us/democratic-sen-manchin-threatens-legal-action-over-treasury-ev-battery-guidance-2023-03-29/>

“Unfortunately, due to massive loopholes ripe for fraud and abuse, China is flocking to North America to take advantage of the tax incentives authorized in the IRA,”

according to Rep. Bill Posey (R-FL), a senior member of the House Science, Space, and Technology Committee. “Congress did not pass these tax credits to help boost China’s economy.”⁴¹

Perhaps it was inevitable that taxpayer funds, at Biden’s behest, from the IRA (the “official score” is \$369 billion; Goldman Sachs says the real cost could be over a \$1.2 trillion⁴²), the IIJA (\$550 billion in “new” spending), and other funds from the Democratic spending machine, would find their way into China’s coffers. “If you’re making solar panels or EV car batteries, the government will help you. That includes China’s companies,” observed energy analyst Kenneth Rapoza.⁴³

Consider Microvast, a lithium battery company that operates primarily from China. Thanks to the dogged efforts of Sen. John Barrasso (R-WY), taxpayers became aware of Microvast’s “close relationship” with the communist Chinese government. As Barrasso uncovered, 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.” 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.”⁴⁴

That may not be particularly interesting, except for the fact that, last year, Biden’s Department of Energy conditionally selected Microvast, working in collaboration with General Motors, to receive a \$200 million grant under the IIJA.⁴⁵ To add insult to injury, Barrasso found that before Microvast was selected by DOE, the Securities and Exchange Commission (SEC) in 2022 found the company potentially violated the “Holding Foreign Companies Accountable Act,” a law “intended to prevent companies that employ China-based auditors, as does Microvast, from obscuring their financial records from U.S. regulators.”⁴⁶

“It is clear,” Barrasso charged, that “DOE’s actions directly undermine the United States’ position in its race against China for technological supremacy.” Barrasso demanded that Granholm conduct a thorough review “of all the Department of Energy’s (DOE) policies and procedures related to the awarding of loans and grants to companies with leadership and/or financial ties to the People’s Republic of China.”⁴⁷

Barrasso’s demand followed more revelations about Biden’s DOE enriching the communist Chinese government. Last December, LanzaTech, a “carbon-capture technology company,” received a \$10 million grant from DOE. It’s safe to say that either DOE failed to conduct proper due diligence of the company, or it did, and simply didn’t care about the results of what they found.

It didn’t take an investigative genius to uncover the company’s ties to China. In recent filings to the SEC, LanzaTech described “business operations in China,”

⁴¹ <https://www.forbes.com/sites/kenrapoza/2023/02/24/china-solar-companies-qualify-for-benefits-under-inflation-reduction-act/?sh=91aed8476da4>

⁴² <https://www.goldmansachs.com/intelligence/pages/the-us-is-poised-for-an-energy-revolution.html>

⁴³ <https://www.forbes.com/sites/kenrapoza/2023/02/24/china-solar-companies-qualify-for-benefits-under-inflation-reduction-act/?sh=2df23e8576da>

⁴⁴ <https://www.energy.senate.gov/2022/12/barrasso-demands-answers-from-doe-on-200-million-grant-to-company-with-ties-to-china>

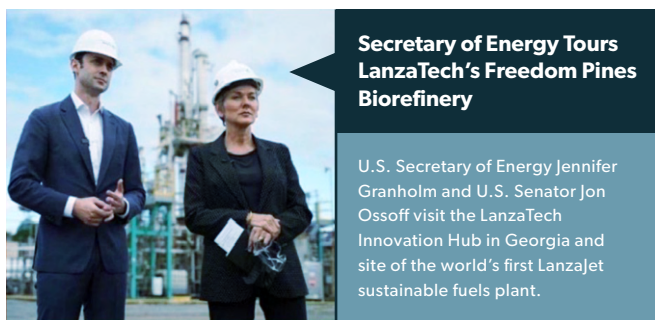
⁴⁵ <https://www.businesswire.com/news/home/20221102005472/en/Microvast-and-General-Motors-Selected-by-the-U.S.-Department-of-Energy-for-a-200-Million-Grant>

⁴⁶ Ibid. at 43

⁴⁷ Ibid. at 43

which include “a joint venture, several strategic investors located in China, including Sinopec, and a core team of technical, business and administrative professionals at a LanzaTech office in Shanghai.” Even more alarming, the company wrote that “we are subject to the risk that the Chinese government may intervene or influence our operations at any time.”⁴⁸

LanzaTech’s 2021 Annual Report highlights one Bo Ren, a board member, and the managing director for Sinopec Capital, “the investment arm of the Chinese state-owned oil conglomerate.” He also graduated from Tianjin University, an entity on a U.S. blacklist for “systematically coordinat[ing] and committ[ing] more than a dozen instances of theft of trade secrets from U.S. corporations.” To add insult to injury, the report features a photo of Granholm and Sen. Jon Ossoff (D-GA) on a tour of the company’s biorefinery in Georgia.⁴⁹



Maybe the featured photo in the annual report appealed enough to Granholm’s vanity to induce DOE, even after Barrasso’s exposures, to brazenly offer another \$1.6 million grant to LanzaTech, on January 26, 2023, “to accelerate the production of sustainable biofuels for America’s transportation and manufacturing needs.”⁵⁰

“This isn’t about protecting the environment,” an outraged Barrasso told the Washington Free Beacon.

“The White House is using its far-left climate policies as an excuse to send taxpayer money to help countries that hate us.” Sen. Tom Cotton (R-AR) summed it up best: Biden’s “green energy agenda is stamped with the words ‘made in China.’”⁵¹

After considerable public pressure, Granholm relented in late May, and announced that DOE was rescinding its conditional \$200 million grant to Microvast. House Science Committee Chairman Frank Lucas (R-OK), also a staunch critic of DOE’s China policy, who, along with Barrasso, demanded answers from Granholm, said he was “pleased” with DOE’s decision, but “frustrated that it took the Department six months and multiple letters from our Committee to come to such an obvious conclusion.”⁵²

But DOE has given no indication that it will reclaim LanzaTech’s taxpayer handouts. And as Biden’s frailties on the national stage become increasingly, and tragically, apparent, China’s influence in the U.S. only grows stronger. Earlier this year, Ford Motor Company, which, along with other U.S. automakers, has fecklessly capitulated to Biden Administration’s EV mandate—and allowed bureaucrats to force the company to sell cars consumers don’t want—announced a licensing agreement with Contemporary Amperex Technology Co., Limited (CATL), “a People’s Republic of China (PRC)-based and regime-supported battery manufacturer that commands one-third of the global electric-car battery market.”⁵³

In a scathing letter to top administration officials, including Granholm and Treasury Secretary Janet Yellen, Sen. Marco Rubio (R-FL), the vice chairman of the Senate Intelligence Committee, expressed outrage “at Ford’s plan to establish a large, Michigan-based factory, structured as a wholly owned subsidiary that licenses its technology from CATL.”⁵⁴ Granholm was unbowed, and

⁴⁸ <https://www.energy.senate.gov/2022/12/barrasso-presses-doe-for-details-on-taxpayer-dollars-being-sent-to-china-connected-companies>

⁴⁹ <https://ir.lanzatech.com/static-files/a449ca75-a8cc-444c-b562-f88d73e60c79>, p. 10.

⁵⁰ <https://www.energy.gov/eere/bioenergy/articles/us-department-energy-awards-118-million-accelerate-domestic-biofuel>

⁵¹ <https://freebeacon.com/energy/biden-admin-funnels-another-1-6-million-to-beijing-backed-green-energy-company-over-senate-objections>

⁵² <https://www.politico.com/news/2023/05/23/energy-department-microvast-china-00098286>

⁵³ <https://www.rubio.senate.gov/public/index.cfm/2023/2/rubio-seeks-pledge-from-briden-for-no-federal-dollars-to-partnership-between-ford-ccp-national-champion>

⁵⁴ *Ibid.* at 52

then, shockingly, appointed Ford's top EV lobbyist to her DOE advisory board. Rubio described the role of Ford's Christopher Smith, a former DOE official in the Obama Administration, as "deeply troubling but unsurprising."⁵⁵

THE SOLUTION: IT'S MINE, ALL MINE

"Deeply troubling but unsurprising"—that line perfectly encapsulates Joe Biden's Green New Deal and its slew of mandates, regulations, subsidies, inconsistencies, and contradictions. The contradictions lie in this: the Biden Administration continues to require the use of unreliable, costly wind and solar energy while increasing our energy dependence on China, which, as noted above, controls significant shares of the critical minerals and rare earth elements used to make EV batteries and other components for renewable energy.

President Biden seems to be aware of the contradiction—and the economic and national security risks inherent in pushing consumers into an "energy transition"—a fancy term used to describe banning fossil fuels—that they oppose. One would think that Biden would attempt to undermine China's mineral dominance by developing America's abundant supplies of nickel, copper, and other commodities needed not just for energy but for the applications of everyday life, such as cell phones, as well as national security, including fight jets.

So in 2021, Biden signed executive order 14017, "America's Supply Chains," which commenced a "review of vulnerabilities in our critical mineral and material supply chains within 100 days."⁵⁶ The conclusion of the review was obvious, and something known the world over for years:

America is vulnerable to an "over-reliance on foreign sources and adversarial nations for critical minerals and materials posed national and economic security threats."⁵⁷

So what was Biden going to do about it? The answer to just about everyone was, again, obvious: expand domestic mining of critical minerals to eliminate America's "over-reliance" on foreign sources and adversarial nations." But as the chart below plainly shows, the Biden Administration has consistently rejected permits for significant new mining projects.

Tragically, there are plenty of examples. Most recently, Biden's Army Corps of Engineers and EPA revoked a Clean Water Act permit for the NewRange Mine in northeastern Minnesota, seriously jeopardizing the future of the project. NewRange is a 32,000 ton-per day operation that would produce nickel, copper, cobalt, and platinum-palladium resources from the "mineral-rich Duluth Complex."⁵⁸

Rep. Pete Stauber (R-MN), whose district includes the mine, issued a blistering statement attacking the Biden Administration:

“We are on the cusp of delivering for the world and our country an ethically and responsibly sourced supply of these greatly needed critical minerals for our everyday life. Again today, this activist administration took another step toward killing yet another domestic mining project in the largest copper nickel find in the world. The activists in Washington took away a Clean Water Act permit, previously granted by experts at the U.S. Army Corps of Engineers, and in essence gave a gift to the Chinese Communist Party. Because of this, America will be more reliant on China, which has no environmental or labor standards and uses minerals sourced by child labor.”⁵⁹

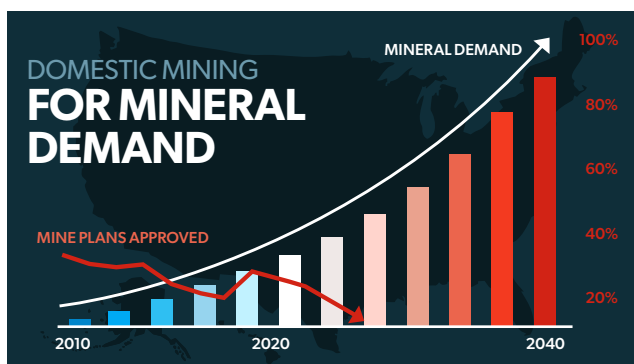
⁵⁵ <https://www.washingtonexaminer.com/policy/energy-environment/rubio-blasts-granholm-appointment-of-ford-ev-lobbyist>

⁵⁶ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/22/fact-sheet-securing-a-made-in-america-supply-chain-for-critical-minerals/>

⁵⁷ Ibid. at 56

⁵⁸ <https://www.newrangecoppernickel.com>

⁵⁹ <https://stauber.house.gov/media/press-releases/stauber-statement-biden-administrations-latest-pro-china-anti-jobs-anti>



NewRange followed another Biden rejection in January of the Twin Metals mine, also located in Minnesota’s Duluth Complex within the Superior National Forest, “where 95 percent of the nation’s nickel reserves and 88 percent of American cobalt reserves are found.”⁶⁰

While he’s rejecting mines in the U.S., Biden and his son, Hunter, have been actively supporting Chinese mining interests abroad.

Last year, House Republicans launched an investigation into Hunter Biden’s involvement “with the sale of a Congolese cobalt mine to a Chinese company in 2016. That mine was originally owned by American companies.” And late last year, Biden “signed an agreement to fund mining projects in Chinese-owned mines in the Congo, where over 40,000 children work as slaves in forced labor and inhumane conditions with no environmental protections.”⁶¹

CONCLUSION

Child and slave labor, let alone undermining U.S. national security, doesn’t seem to faze the Biden

Administration and the disastrous course it’s setting for America.

China is busy extending its insidious reach the world over, challenging U.S. interests by subsidizing infrastructure and energy projects in strategically important places. At the same time, China is forging closer ties to Russia and brokering peace between Saudi Arabia and Iran.⁶² To make matters worse, not only does it cheat on global trade rules, which Biden allows with impunity, but China brazenly flies a spy balloon over the continental U.S., causing international embarrassment and humiliation.

It’s well-nigh time to reverse course on Biden’s Green New Deal, and implement policies that enjoy widespread support from the public:

- For starters, Congress should pass Sen. Barrasso’s “Supporting American Independence in Innovation Act,” which would bar DOE from “making financial awards to firms beholden to China.”⁶³
- Second, it’s time to end Biden’s mining ban, and open U.S. mines to production—mines that produce the critical minerals that make modern life possible, and that will reverse China’s global dominance in this space.
- To help that effort, Congress must also pass meaningful permitting reforms to enable mine production (as well as pipelines and oil and gas production facilities), and a good place to begin is with the “Revitalizing the Economy by Simplifying Timelines and Assuring Transparency (RESTART) Act,” sponsored by Shelley Moore Capito (R-WV) and the “Spur Permitting of Underdeveloped Resources (SPUR) Act,” sponsored by Sen. Barrasso.
- Fourth, Congress must overturn the Biden EPA’s EV mandates and remove California’s authority to seek a waiver from EPA to impose its dangerous greenhouse gas emissions policies on the rest of the nation.

⁶⁰ <https://www.instituteforenergyresearch.org/renewable/biden-administration-blocks-minnesotas-twin-metals-mine/#:~:text=The%20Biden%20administration%20blocked%20plans,%20net%2Dzero%20plans.>

⁶¹ *Ibid.* at 60

⁶² <https://carnegieendowment.org/2023/03/30/riyadh-s-motivations-behind-saudi-iran-deal-pub-89421>

⁶³ <https://www.energy.senate.gov/2023/5/barrasso-bills-safeguard-taxpayer-money-protect-american-innovation-against-communist-china>

⁶⁴ <https://www.capito.senate.gov/news/press-releases/capito-barrasso-unveil-comprehensive-permitting-and-environmental-review-reform-legislation#:~:text=Ranking%20Member%20Capito%27s%20bill%2C%20the,limits%20to%20prevent%20endless%20legal>

- Finally, pass Sen. Rubio’s “Restricting Electric Vehicle Outlays from Kleptomaniac Enemies (REVOKE) Act of 2023,” to prevent Chinese companies from benefiting from tax credits under the Inflation Reduction Act.⁶⁵

Taking these steps would go a long way to ending Biden’s rein of energy terror, and hopefully propel the end of the Biden Administration itself in 2024.

⁶⁵ <https://www.rubio.senate.gov/public/index.cfm/2023/3/rubio-introduces-bill-to-block-subsidies-to-chinese-battery-companies>