



The U.S. Battery Supply Chain *IN THE NEW POLITICAL ENVIRONMENT*

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The Current Political Climate

A deluge of executive actions promoting America first energy dominance, with a thin Congressional majority looking to make a HUGE impact – will it be enough to drive success?

Challenges in the Current Landscape:

- Funding freeze (or impoundment)
- Tariffs on allies
- Staffing reduction
- Eliminate US EV incentives (support demand pull)
- Institutional permitting challenges
- Tensions with China escalating

Key Questions:

- Can industry make long-term business decisions in this political and regulatory environment?
- Will the IRA tax credits be protected by Congress?
- How can counter China's continued dominance, and should we?
- Are batteries even on the menu in DC?
- How will Musk influence the process?



Financing Projects with Government

How should the private sector navigate a relationship with the government in already challenging financial environment?

Challenges in the Current Landscape:

- Historic levels of funding
- Many projects still working through financing and NEPA
- Funding freeze from Administration jeopardizes projects
- Loan programs under a microscope
- Only Congress can impound funds

Tax Incentives Wrapped in Reconciliation Bill:

- Congress debating how much of IRA to keep in tax package
- 30D Clean Vehicle Tax Credit and 45X Production Tax Credit likely have different fates
- Foreign Entity of Concern (FEOC) could be added to IRA credits

Project and Permitting Oversight:

- Layers of NEPA permitting review
- Community benefits on chopping block
- Lack of staffing



Tariffs: "Some Pain"

Will tariffs help create battery production competitiveness in the US?

Shifting International Relationships:

- Implementation of tariffs against both allies and adversaries to gain geopolitical leverage and pay for tax plan
- Challenge recent focus on nearshoring and friendshoring
- Reorientation of supply chains will cause additional cost increases.

Current Trade Landscape:

- President Trump is using the International Emergency Economic Powers Act with no exemption process in place.
- China – 35% tariffs (additional 10%) on all goods
 - Retaliatory tariffs on energy, agriculture and cars.
- Mexico & Canada - 25% tariffs/10% on energy/minerals delayed one month.
 - Made concessions on border protection and drugs
 - Promised retaliatory measures should tariffs go into effect
- Steel and aluminum – 25% tariffs from every country



The China Challenge & The Trump Effect

What else can the US do to change the competition equation if China already dominates the full supply chain?

- China has achieved near control of the critical minerals and battery supply chain – and done so by any means necessary.
- US and allies have made massive investments to create the supply chain outside of China's influence.
- Will the U.S.:
 - Build a domestic industry with allies?
 - Partner with China on the journey?
 - Fully submit to Chinese dominance?



Countermeasures:

- Banning companies
- Forced labor laws
- Content requirements (e.g., FEOC)
- Export Restrictions
- CFIUS

The Trump Effect:

- A grand deal
- Potential large investments
- Cutting red tape





The Keys to Success

Create a positive path forward in this new environment...

- **Funding and loans** – tie to national security and energy dominance
- Tell the economic development story to **keep incentives in place**
- Lean into **competition** measures with China
- Advocate for **key partnerships** – and go big
- Work on **project and permitting efficiencies**
- Ensure the battery story line is **multidimensional**





THANK YOU.

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