

# Biden-Harris Administration Releases Report and Recommendations Concerning America's Supply Chains

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Yesterday morning, June 8, 2021, the Biden-Harris administration released a report including factual findings and recommendations concerning four critical supply chains. The full 250-page report is available [here](#) and a White House fact sheet summarizing key findings and recommendations is available [here](#).

The report stems from President Biden's [Executive Order 14017](#) ("EO 14017"), which established a wide-ranging whole-government evaluation of America's supply chains. The report and recommendation released today concerns 100-day reviews involving four specific supply chains:

- semiconductors and advanced packaging;
- high-capacity batteries;
- critical minerals and other identified strategic materials; and
- active pharmaceutical ingredients.

A few major themes can be gleaned from the report:

Trade Enforcement: A recurring theme throughout the document relates to the use of the trade enforcement toolkit, including the establishment of a U.S. Trade Representative-led trade strike force, to identify unfair foreign trade practices that have eroded U.S. critical supply chains and to recommend trade actions to address such practices. The report also specifically recommends a potential Section 232 investigation of neodymium permanent magnets, suggesting that the Biden Administration may use Section 232 as a vehicle to address critical supply chain issues, albeit in a more traditional national security context.

Global Nature of Supply Chains: While many of the reports' recommendations focus on expanding domestic production and labor, the report also acknowledges the need for global supply chains, and the need to work with partners and allies to achieve resilient supply chains.

Leveraging the Government's Purchasing Power: The report proposes a number of ways the government can leverage its position as a buyer of critical materials to address supply chain concerns. This includes purchasing materials from domestic sources but also developing standards that foreign materials must meet. The report also suggests a strengthening of the National Defense Stockpile and the use of the Defense Production Act program as additional ways of addressing

supply chain deficiencies.

Financing/Investment: A systemic lack of financing and a long-term shortfall in investments are identified as a key themes throughout the report. The report makes several financing recommendations that may present domestic and foreign producers with opportunities to expand production capabilities domestically and also abroad.

Sustainability: Sustainability is a key theme throughout the report, both from developing sustainable production in the U.S., sourcing materials produced sustainably abroad, and encouraging allies and partners and partners to develop sustainable supply chains.

Labor: The report identifies a shortage of skilled labor as a significant supply chain issue and recommends investing in training and development programs to ensure the U.S. labor market can meet manufacturing needs.

The administration is also conducting year-long based supply chain reviews of the following six sectors:

- defense industrial base;
- public health and biological preparedness industrial base;
- information and communications technology (ICT) industrial base;
- energy sector industrial base;
- transportation industrial base; and
- agricultural commodities and food products.

Industry participants should be aware of additional opportunities to engage in shaping the administration's policies through these reviews in the coming months.