

Cabinet Agencies Publish U.S. Critical Supply Chain Reports

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On February 24, 2022, seven cabinet agencies published reports in response to President Biden's Executive Order (EO) 14017 with assessments of and recommendations for strengthening certain critical U.S. supply chains. The White House published a capstone report providing an overview of the agency reports and also reviewing the actions the Biden Administration has taken over the past year to reduce the vulnerability of U.S. supply chains across various sectors.

The White House stated that in the coming months, a number of federal departments and agencies will host regional summits with stakeholders to discuss ways to align regional economic development strategies with the national supply chain strategy.

The key points from each report are summarized below.

The **Department of Defense's** (DoD) report: **Securing Defense-Critical Supply Chains**

- DoD's report evaluates supply chains in the defense industrial base and the agency's plans to ensure the security of supply for items vital to national security, including:
 - **Kinetic capabilities:** current missiles systems and advanced and developing missile capabilities, including hypersonic weapons technology, as well as directed energy weapons
 - **Energy storage and batteries:** high-capacity batteries, with a particular focus on lithium batteries

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Practice Areas

International Trade
National Security
Strategic Competition & Supply Chain

- **Castings and forgings:** metals or composites developed into key parts and manufacturing tools through high-intensity processes
- **Microelectronics:** State-of-the-Practice (SOTP) and legacy microelectronics, as well as State-of-the-Art (SOTA) microelectronics
- The report assesses these focus areas and “strategic enablers” underpinning the focus areas: workforce; cyber posture; manufacturing; and small business.
- In addition to sector-specific recommendations, DoD presents cross-cutting recommendations:
 - Build domestic production capacity; engage with partners and allies; mitigate foreign ownership, control, or influence (FOCI) and safeguard markets; conduct data analysis; aggregate demand; develop common standards; update acquisition policies
- DoD also provides an update on the implementation of recommendations in its Review of Critical Minerals and Materials, which was part of the 100-day response to EO 14017.

The **Departments of Commerce and Homeland Security** report: **Assessment of the Critical Supply Chains Supporting the U.S. Information and Communications Technology Industry**

- The report assesses the conditions of the information and communications technology (ICT) supply chains, including ICT manufacturing; the ICT software sector; the ICT workforce; cross-cutting supply chain vulnerabilities impacting the ICT industrial base; and external risks to the ICT industrial base supply chain.
- The report presents the following recommendations for strengthening ICT supply chains:
 - **Revitalize the U.S. ICT Manufacturing Base.** Support domestic investment and production of key ICT products, potentially including printed circuit boards (PCBs) and semiconductors.
 - **Build Resilience through Secure and Transparent Supply Chains.** Promote supply chain risk management practices through procurement and monitoring efforts such as implementing an Assured Supplier Program for PCBs for Federal Government and establishing a Critical Supply Chain Resilience Program at the Department of Commerce.
 - **Collaborate with International Partners to Improve Supply Chain Security and Resiliency.** Improve international engagements through existing fora to advance shared interests in the ICT industry, such as bolstering supply chain security and diversity for critical products, strengthening trade enforcement, and enhancing participation in international standards development.
 - **Invest in Future ICT Technologies.** Support and expand programs aimed at bringing nascent technologies to market as well as advancing manufacturing technologies.
 - **Strengthen the ICT Workforce Pipeline.**
 - **Ensure Sustainability Remains a Cornerstone of ICT Development.** Promote the adoption of enhanced labor and environmental standards and the adoption of more sustainable ICT production facilities.

- **Engage with Industry Stakeholders on Resiliency Efforts.** Promote awareness and adoption of risk mitigation techniques and best practices for securing the ICT supply chain.
- **Continue to Study the ICT Industrial Base.** Conduct further industrial base studies on critical ICT products such as PCBs and related microelectronics.

The **Department of Energy (DOE)** report: **America’s Strategy to Secure the Supply Chain for a Robust Clean Energy Transition**

- DOE’s report provides a supply chain strategy overview report for the energy sector industrial base – identifying policies to enable the United States to build resilient supply chains to meet energy security, national security, economic, and climate objectives. DOE recommends cross-cutting executive actions addressing seven strategic opportunities applicable to all technologies:
 - Increase domestic raw materials availability
 - Expand domestic manufacturing capabilities
 - Invest and support the formation of diverse and reliable foreign supply chains to meet global climate ambitions
 - Create clear market signals to increase the adoption and deployment of clean energy
 - Improve end of life energy-related waste management
 - Attract and support a skilled U.S. workforce for clean energy
 - Augment supply chain knowledge and decision making
- DOE also presents technology-specific executive actions with respect to energy infrastructure (fuel cells and electrolyzers, nuclear, energy storage); electricity grid and market (energy storage and fuel cells and electrolyzers); manufacturing and innovation (semiconductor, nuclear, magnets, electric grid, and wind); and aged/outdated infrastructure (hydropower).
- The report also includes recommended congressional actions – sector-wide and technology-specific – for the targeted supply chain objectives.

The **Department of Agriculture (USDA)** **Agri-Food Supply Chain Assessment: Program and Policy Options for Strengthening Resilience**

- USDA’s report assesses the risks and resilience of the U.S. agri-food supply chains – which includes food production, processing, distribution, and consumption – and identifies potential solutions to address vulnerabilities. The report identifies six priority vulnerabilities:
 - Concentration and Consolidation in Agri-Food Production, Manufacturing, and Distribution
 - Labor Needs
 - Ecological and Climate Risks to Crops
 - Livestock and Poultry Disease Threats

- Transportation Bottlenecks
- Trade Disruptions
- USDA proposes specific actions to address vulnerabilities in each priority area, including actions to:
 - Strengthen data and market intelligence to enhance USDA's understanding of supply chains and address disruptions early;
 - Diversify critical supply chain infrastructure, expand local and regional programs, and enable more and better markets for producers and consumers;
 - Support a level playing field to enable competition;
 - Improve working conditions and overcome critical labor shortages in farm and affiliated agri-food industries;
 - Help farmers adapt to climate change;
 - Strengthen response preparedness to animal and crop pest and disease threats;
 - Rebuild critical transportation infrastructure for moving bulk commodities and specialty products;
 - Boost agricultural exports; and
 - Embed equity principles throughout to ensure that programs, services and decisions reflect the values of equity and inclusion.

The **Department of Transportation's** (DOT) report: **Supply Chain Assessment of the Transportation Industrial Base: Freight and Logistics**

- DOT's report reviews the challenges facing the transportation industrial base and supply chains and makes policy recommendations to strengthen these systems. The recommendations cover a range of actions, including:
 - **Investing in freight infrastructures**, such as ports, bridges, and railroads, to enhance capacity and connectivity.
 - **Providing technical assistance** to support the planning and coordination of freight investments and operations and supporting the workers employed in this sector.
 - **Improving data and research** into supply chain performance.
 - **Strengthening and streamlining governance** to improve efficiency, build the workforce, increase competitiveness, and reduce safety and environmental risks.
 - **Partnering with stakeholders across the supply chain**, including coordination with both the public and private sectors.

The **Department of Health and Human Services'** (HHS) report: **Public Health Supply Chain and Industrial Base**

- HHS's report assesses the public health supply chain and industrial base – exploring vulnerabilities and identifying the successes and practical strategies implemented by HHS.

- The report discusses personal protective equipment (PPE) and durable medical equipment (DME); testing and diagnostics; and pharmaceuticals – including therapeutics, vaccines, and active pharmaceutical ingredients.
- HHS’s report builds on various U.S. Government analyses – all part of the Biden Administration’s ongoing efforts to build and sustain U.S. preparedness and response capabilities for future pandemics – including the National Strategy for a Resilient Public Health Supply Chain (the National Strategy).
- HHS highlights the following themes within the National Strategy for a resilient public health supply chain, and presents recommendations under each category: manufacturing and industrial base expansion investments; stockpiling, allocation, and coordination; innovation; trade policy and Buy American; regulations, policy, and standards; workforce development; global partnerships and standards; governance; and external stakeholder engagement and coordination.

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