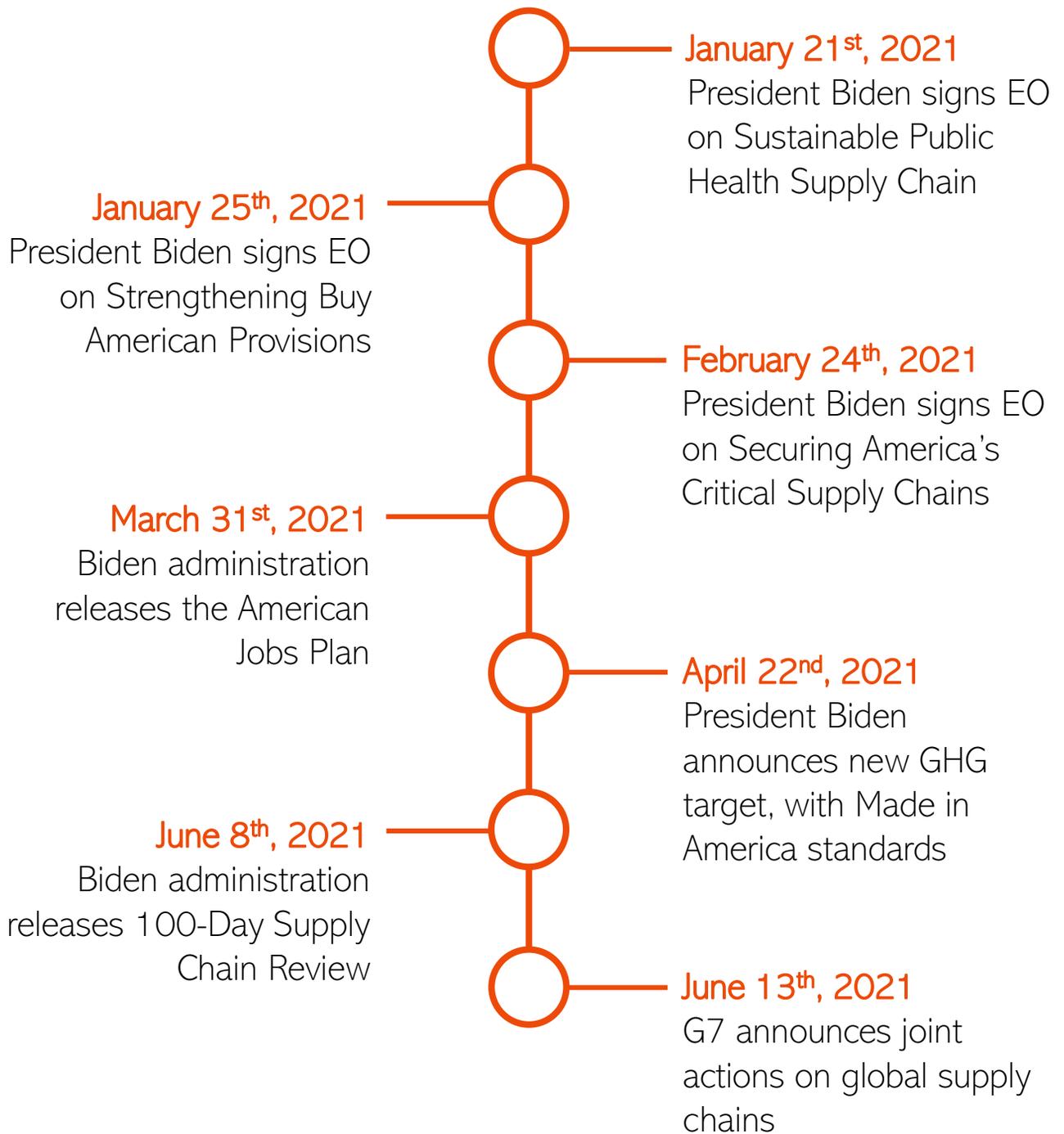


SUPPLY CHAIN & THE BIDEN ADMINISTRATION

As the global economy and manufacturing landscape have both evolved amid the COVID-19 pandemic, issues related to supply chain have been a key priority for President Biden – both on the campaign trail and throughout his presidency thus far. Most initiatives advanced by the Biden administration have included some policies related to U.S. supply chain and domestic manufacturing, along with several executive actions tailored specifically towards addressing supply chain issues across the federal government and abroad.



THE AMERICAN JOBS PLAN: SUPPLY CHAIN FOCUS

On March 31st, President Biden unveiled the American Jobs Plan, his administration's proposal for investing in U.S. infrastructure. The plan proposes an investment of \$2.25 trillion over the next 8 years, which would be fully paid for over the next 15 years through tax increases. While a possible infrastructure package will be the product of bipartisan negotiations between Congress and the administration, the Jobs Plan essentially serves as blueprint of the administration's ideal package. Notably, the proposal includes several initiatives related to enhancing the U.S. supply chain and domestic manufacturing.

- Encourages Congress to create a \$50 billion initiative at the Department of Commerce, aimed towards improving domestic capacities to produce critical goods.
- Calls for a \$52 billion investment in domestic manufacturers, along with a proposal to create a financing program specifically for manufacturing efforts that would improve supply chain resiliency.



Manufacturing



R&D Efforts

- Encourages stimulating U.S.-led research and development efforts, as a method to strengthen supply chains through commercialized research.
- Calls for investing \$50 billion in R&D efforts at the National Science Foundation, along with \$30 billion in funding for rural innovation, and \$40 billion for national laboratories.

- Proposes an investment of \$174 billion in electric vehicles, in order to increase domestic capabilities to produce EVs in the U.S. from start to finish.
- Aims to "spur domestic supply chains from raw materials to parts," by incentivizing U.S. manufacturers to compete more globally.



Electric Vehicles



Employment

- Emphasizes the importance of securing U.S. supply chains and investing in domestic manufacturing in order to increase job opportunities for Americans.
- Proposes that American workers should "build and make things in every part of America," which will provide well-paying jobs to produce critical supplies.

100-DAY SUPPLY CHAIN REVIEW: BROAD INITIATIVES

In February, President Biden signed an Executive Order on Securing America's Critical Supply Chains. This order directed the administration to immediately conduct a 100-day review of U.S. supply chains for critical sectors, while also offering broader suggestions. The results of this 100-day review were officially released last week, and will now be followed by a larger one-year review of U.S. supply chains and domestic industrial capacities.

01

Establish a Supply Chain Disruptions Task Force.

Proposes the creation of a new task force to lead a comprehensive supply chain response strategy, which will be led by the Secretaries of Transportation, Commerce, and Agriculture with public-private stakeholder engagement.

02

Expand multilateral efforts through a Presidential Forum

Directs the President to convene a Presidential Forum on Global Supply Chain Resilience, where public and private stakeholders from allied nations will meet to discuss global supply chain problems and develop a collective strategy.

03

Create a Supply Chain Resilience Program

Proposes a \$50 billion investment to create a new Supply Chain Resilience Program at the Department of Commerce, which will be for the purpose of monitoring changes and challenges for the U.S. supply chain across a diverse array of key goods.

04

Improve the National Defense Stockpile & Corporate Stockpiles

Directs Congress and the Biden administration to reform and strengthen the National Defense Stockpile for critical materials, as well as to evaluate methods to enhance private sector stockpiles of these critical items – in order to avoid shortages during times of deficit supply.

05

Formulate a New Trade Strategy for Supply Chain Resilience.

Instructs the Biden administration to implement a more comprehensive trade strategy aimed towards increasing American competitiveness and supply chain resiliency – with a specific focus towards decreasing reliance on China for the U.S. supply chain.

06

Utilize Financial Tools to Invest in Domestic Production.

Encourages the federal government to examine the use of international finance tools and development mechanisms to increase domestic production initiatives for critical supply chain materials, while also maintaining higher standards for overseas manufacturing.

100-DAY SUPPLY CHAIN REVIEW: SECTOR-SPECIFIC SUPPORT

ESSENTIAL MEDICINES

- ✓ Directs HHS to create a public-private consortium to increase domestic production of essential medicines, starting with an initial \$60 million investment.
- ✓ Requires HHS to develop a plan to ensure transparency in the pharmaceutical supply chain.
- ✓ Directs all agencies to increase funding for advanced manufacturing.

ADVANCED BATTERIES

- ✓ Directs DOE to publish a National Blueprint for Lithium Batteries and to use their FEMP initiative to enhance energy storage deployment for all federal agencies..
- ✓ Authorizes \$17 billion in ATVM loans to support the domestic battery supply chain.
- ✓ Improves sourcing and labor standards for battery production.

CRITICAL MINERALS

- ✓ Directs DOI to create an interagency working group for domestic mineral production.
- ✓ Forms an interagency team to provide Congress with a report on gaps in statutes/regulations.
- ✓ Directs DOD and DOE to use existing funds for grants and loans.
- ✓ Requests the government to create new sustainability standards.

SEMICONDUCTORS

- ✓ Directs the DOC to improve partnerships between semiconductor manufacturers and the end-users.
- ✓ States that the administration will bolster their engagement with allies to improve global manufacturing.
- ✓ Requests Congress to allocate at least \$50 billion towards domestic semiconductor production and R&D.

ELECTRIC VEHICLES

- ✓ Recommends that Congress authorize expanded incentives for U.S.-made electric vehicles.
- ✓ Requests that Congress provide \$5 billion for federal electrification, along with \$15 billion to support EV infrastructure investments.
- ✓ Directs agencies to decrease critical mineral requirements for electric vehicle batteries.

FOOD SYSTEMS

- ✓ Directs USDA to allocate over \$4 billion towards Build Back Better efforts for strengthening U.S. food supply chains.
- ✓ Mandates that all these Build Back Better initiatives prioritize racial equity, climate change, and supply chain resilience.
- ✓ Allocates additional funding for food processing and distribution.

100-DAY SUPPLY CHAIN REVIEW: PERSPECTIVES FROM KEY OFFICIALS

When the results of the 100-day supply chain review were released, key administration officials released statements regarding their positioning in influencing the supply chain initiatives proposed by the administration. Ranging from sector-specific support for improvements to broader efforts for supply chain resiliency and domestic manufacturing, the officials highlight the key roles that their respective agencies play in safeguarding and improving critical supply chains and domestic industrial capacities.



SECRETARY LLOYD AUSTIN

Department of Defense



Strategic and critical materials are vital to our national defense and economic prosperity, enabling the United States to develop and sustain emerging technologies. They also improve our warfighting capability, support family-sustaining jobs, and strengthen our alliances and partnerships. Though there is more work to be done, the Department of Defense remains committed to a whole-of-government approach to preserve our access to strategic materials. This is important not only for our national defense, but to ensure our national economic well-being.



SECRETARY GINA RAIMONDO

Department of Commerce

Today's report takes the first critical step to address both issues, by first providing a comprehensive review of the risks and vulnerabilities in the semiconductor supply chain and laying out a plan to advance long-term U.S. leadership in production and innovation in the semiconductor industry. I am grateful for President Biden's leadership in ensuring we strengthen our supply chains and encouraging investments to shore up our domestic production. I am looking forward to leading the Biden-Harris Administration's new Supply Chain Disruptions Task Force along with my colleagues at the Department of Transportation and Department of Agriculture, to utilize invaluable data and information tracking to more effectively identify and address near-term risks and vulnerabilities.





SECRETARY JENNIFER GRANHOLM

Department of Energy

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Today, the Department of Energy is taking immediate actions to bolster the US supply chain. We'll create good-paying jobs and secure the supply chain we need to reach net-zero carbon emissions by 2050. When I hear about American companies shipping their jobs overseas, it flat out ticks me off. That's why today we're taking new actions to ensure that all innovations – developed with taxpayer money through DOE's programs – are substantially manufactured in the U.S.



COMMISSIONER JANET WOODCOCK

Food & Drug Administration

Last year the American people experienced a widespread and significant shortage of respirators and masks to protect essential workers and others, and year after year we see shortages of medicines and medical supplies like saline. Pharmaceutical supply chains are essential for the national and health security and economic prosperity of the United States, yet the COVID-19 pandemic revealed just how vulnerable the supply chain is in this country. Now is the right time to take action to keep the U.S. drug supply chain secure and resilient.

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SECRETARY TOM VILSACK

Department of Agriculture

“

This Build Back Better initiative will make meaningful investments to build a food supply chain system that is more resilient against shocks, delivers greater value to growers and workers, and offers consumers an affordable selection of healthy food produced and sourced locally and regionally by farmers and processors from diverse backgrounds.

CONTACT US

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